

FINAL BUDGET OF
KHÂI-MA
MUNICIPALITY

NC067



2020/21 TO 2022/23
MEDIUM TERM REVENUE AND
EXPENDITURE FORECASTS

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Abbreviations and Acronyms

LED	Local Economic Development	MEC	Member of the Executive Committee
BPC	Budget Planning Committee	MFMA	Municipal Financial Management Act Programme
CFO	Chief Financial Officer	MIG	Municipal Infrastructure Grant
MM	Municipal Manager	MMC	Member of Mayoral Committee
CPI	Consumer Price Index	MPRA	Municipal Properties Rates Act
CRRF	Capital Replacement Reserve Fund	MSA	Municipal Systems Act
DBSA	Development Bank of South Africa	MTEF	Medium-term Expenditure Framework
DoRA	Division of Revenue Act	MTREF	Medium-term Revenue and Expenditure Framework
DWA	Department of Water Affairs	NERSA	National Electricity Regulator South Africa
EE	Employment Equity	NGO	Non-Governmental organisations
EEDSM	Energy Efficiency Demand Side Management	NKPIs	National Key Performance Indicators
EM	Executive Mayor	OHS	Occupational Health and Safety
FBS	Free basic services	OP	Operational Plan
GAMAP	Generally Accepted Municipal Accounting Practice	PBO	Public Benefit Organisations
GDP	Gross domestic product	PHC	Provincial Health Care
GDS	Gauteng Growth and Development Strategy	PMS	Performance Management System
GFS	Government Financial Statistics	PPE	Property Plant and Equipment
GRAP	General Recognised Accounting Practice	PPP	Public Private Partnership
HR	Human Resources	PTIS	Public Transport Infrastructure System
HSRC	Human Science Research Council	RG	Restructuring Grant
IDP	Integrated Development Strategy	RSC	Regional Services Council
IT	Information Technology	SALGA	South African Local Government Association
kℓ	kilolitre	SAPS	South African Police Service
km	kilometre	SDBIP	Service Delivery Budget Implementation Plan
KPA	Key Performance Area	SMME	Small Micro and Medium Enterprises
KPI	Key Performance Indicator		
kWh	kilowatt		
ℓ	litre		

Part 1 – Final Budget 2020/21

1.1 Mayor's Report

Final Budget 2020/2021

The operating and capital budget of the Council has been compiled in order to comply with the Local Government: Municipal Finance Management Act, no. 56 of 2003. The municipality is in process with the IDP review for the 2020/21 Integrated Development Plan (IDP) strategically. The IDP is a five-year living document which correctly focuses mainly on addressing the needs of our communities. The central role played by our communities, Ward Committees, Ward Councillors, business formations, private sector and the NGOs is vital in giving life to the municipalities IDP.

The Municipal Standard Chart of Accounts (*mSCOA*) Regulations apply to all municipalities and municipal entities with effect from 1 July 2017 which means that the compilation of the 2020/21 Medium-Term Budget and Expenditure Framework (MTREF) must be compliant with the *mSCOA* classification framework.

COVID-19

As a result of the President's announcement on Monday, March 23, 2020. We will apply these instructions and put in place measures to give effect to the instructions. The municipality will work closely with national and provincial governments to ensure that municipal services and processes are in line with what is needed. Provision will be made to the extent possible within the municipality.

Financial Sustainability

Currently the municipality is not financially sustainable, at least not in the medium to long term. The reality is that Khâi-MA Municipality is situated in a social economic disadvantaged environment with limited financial resources. We are a poor municipality and to function as a municipality council has to find ways to be sustainable.

Overnight results cannot be expected and in fact this is considered as a medium to long term strategy. Outstanding debtors are increasing and the municipality is not able to maintain positive cash flows to pay creditors within the thirty days timeframe as legally prescribed. Every effort should however be made to improve our revenue collection. Further contribution to the financial sustainability of the municipality is the lack of internal controls and massive water losses are the issues that need immediate remedial action.

The income of the municipality, excluding grants, is equal to salaries and wages, and councillor remuneration. The income that the municipality invoice physically and not cash receives covers only the expenditure of remuneration staff and councillors due to the lack of revenue resources. The budget can only be cash backed if the deficits (Refer tot A8) are included in a "payment plan". Creditors for 2020/21 are R45 251 670, of which R42 518 000 will be repaid over a period of more than 12 months. This means that creditors can no longer be paid within 30 days as stipulated by the MFMA, but over 12 months (365 days).

Proposed Tariff

In ensuring that we continue providing sustainable services, the proposed tariff increase that will be in line with the prescribed norm of National Treasury (CPI):

- 7% increase on assessment rates;
- 6.22% Nersa's national tariff increase;
- 8% increase on water for both residential and business;
- 6% increase on sanitation for both residential and business;
- 6% increase on refuse removal both residential and business;
-

SOCIAL SUPPORT PACKAGE

The equitable share is a unconditional grant and is designed to fund the provision of free basic services to disadvantaged communities. The equitable share allocated to the municipality for the 2020/21 financial year amounting to R20,3 million. Special Support for Councillor Remuneration are included in the R20.3 million and amounting to R1.6 million. The cost to provide the free basic services amounting to R34 million.

In view of the proposed tariffs, the municipality will provide the following social package relief:

- The first R25,000 on property value is exempted from assessment rates
- All indigent households will still enjoy 6 Kilolitres of water, 50 Kilowatts of free basic electricity, sanitation and refuse service for free.

EXPENDITURE FRAMEWORK

The municipalities expenditure for the 2020/2021 financial year amounting to R79.8 million . The main contributors to the R79.8 million are:

Employee related costs	R31 299 125	39.19	%
Remuneration of councillors	R 2 811 450	3.52	%
Debt impairment	R 6 199 473	7.76	%
Depreciation & asset impairment	R 4 847 849	6.07	%
Finance charges	R 3 326 514	4.17	%
Bulk purchases	R15 314 480	19.18	%
Other materials	R 4 097 567	5.13	%
Contracted services	R 3 727 795	4.67	%
Other expenditure	R 8 234 358	10.31	%
Total Expenditure	R75 858 611	100.00	%

Our current spending pattern is a point of concern due to the cashflow situation of the municipality.

CAPITAL INVESTMENT (Conditional grants)

The purpose of conditional grants is to deliver on national government and provincial service delivery priorities.

Fin. Year	Project	MIG 2020/21
2020/21	Pella Bulk Water Infrastructure Reticulation Network	R7 753 000
	Total capital allocation	R7 753 000
	Budget	R7 753 000

Khâi-MA Municipality will be investing **R45,4 million** over the Medium Term Revenue and Expenditure Framework period.

The Council remain strongly committed to the principles of accountability, transparency, anti-corruption, proper financial management and effective internal control systems.

P.A. van Heerden
Mayor of Khâi-MA Municipality

1.2 Council Resolutions (23/06/2020)

1. The Mayor recommends that the Council resolves that:

The consolidated Final Annual Budget of the Khâi-MA Municipality for the financial year 2020/21 and the indicative allocations for the projected outer years 2021/22 and 2022/23; and the multi-year and single year capital appropriations be tabled for the purpose of complying with Chapter 4 of the Municipal Finance Management Act (MFMA) No. 56 of 2003 read in conjunction with Municipal Budget and Reporting Regulations 32141 (dated 17 April 2009) and government gazette Notice No. 37577 on 22 April 2014 as set-out in the following tables:

1.1. The Annual Draft Budget of the municipality for the financial year 2020/21 to 2022/23 and the multi-year and single-year capital appropriations as set out in the following tables:

- 1.1.1. Budgeted Financial Performance (revenue and expenditure by standard classification) as contained in Table 18 on page 24;
- 1.1.2. Budgeted Financial Performance (revenue and expenditure by municipal vote) as contained in Table 19 on page 26;
- 1.1.3. Budgeted Financial Performance (revenue by source and expenditure by type) as contained in Table 21 on page 28; and
- 1.1.4. Multi-year and single-year capital appropriations by municipal vote and standard classification and associated funding by source as contained in Table 22 on page 30.

1.2. The financial position, cash flow budget, cash-backed reserve/accumulated surplus, asset management and basic service delivery targets are approved as set out in the following tables:

- 1.2.1. Budgeted Financial Position as contained in Table 23 on page 32;
- 1.2.2. Budgeted Cash Flows as contained in Table 24 on page 34;
- 1.2.3. Cash backed reserves and accumulated surplus reconciliation as contained in Table 25 on page 34;
- 1.2.4. Asset management as contained in Table 26 on page 36; and
- 1.2.5. Basic service delivery measurement as contained in Table 27 on page 38.

The Council of Khâi-MA Local Municipality, acting in terms of section 75A of the Local Government: Municipal Systems Act (Act 32 of 2000) tabled the following **proposed tariffs** with effect from 1 July 2020:

- the tariffs for property rates – as set out in Annexure A,
- the tariffs for electricity – as set out in Annexure B
- the tariffs for the supply of water – as set out in Annexure C
- the tariffs for sanitation services – as set out in Annexure E
- the tariffs for solid waste services – as set out in Annexure F

2. The Council of Khâi-MA Local Municipality, acting in terms of 75A of the Local Government: Municipal Systems Act (Act 32 of 2000) tabled the budget with effect from 1 July 2020 and the proposed tariffs for other services, as set out in Annexures G1 to G21 respectively.

1.3 Executive Summary

The application of sound financial management principles for the compilation of the municipalities financial plan is essential and critical to ensure that the municipality remains financially viable and that municipal services are provided sustainably, economically and equitably to all communities.

The municipality business and service delivery priorities were reviewed as part of this year's planning and budget process.

The municipality has embarked on implementing a range of revenue collection strategies to optimize the collection of debt owed by consumers.

National Treasury's MFMA Circular No. 99 were used to guide the compilation of the 2020/21-20 -2020/23 MTREF.

The main challenges experienced during the compilation of the 2020/21 to 2020/23 MTREF can be summarised as follows:

- The ongoing difficulties in the national and local economy;
- Aging and poorly maintained water, roads and electricity infrastructure;
- The need to reprioritise projects and expenditure within the existing resource envelope given the cash flow realities and declining cash position of the municipality;
- The increased cost of bulk water and electricity (due to tariff increases from Sedibeng and Eskom), which is placing upward pressure on service tariffs to residents. Continuous high tariff increases are not sustainable - as there will be point where services will no-longer be affordable;
- Wage increases for municipal staff that continue to exceed consumer inflation, as well as the need to fill critical vacancies.

The following budget principles and guidelines directly informed the compilation of the budget for 2020/21 MTREF:

- The 2019/20 Adjustments Budget priorities and targets, as well as the base line allocations contained in that the final budget were adopted as the upper limits for the new baselines for the 2020/21 annual budget;
- Intermediate service level standards were used to inform the measurable objectives, targets and backlog eradication goals;
- Tariff and property rate increases should be affordable and should generally not exceed inflation as measured by the CPI, except where there are price increases in the inputs of services that are beyond the control of the municipality, for instance the cost of bulk water and electricity. In addition, tariffs need to remain or move towards being cost reflective, and should take into account the need to address infrastructure backlogs;
- An upper limit of expenditure was set for the following items and allocations to these items had to be supported by a list and/or motivation setting out the intention and cost of the expenditure which was used to prioritise expenditures:
 - Refreshments and entertainment

- Subsistence and Travelling
- Overtime

In view of the aforementioned, the following table is a consolidated overview of the proposed 2020/21 Medium-term Revenue and Expenditure Framework:

Table 1 Consolidated Overview of the 2020/21 MTREF

NC067 Khai-Ma - Table A4 Budgeted Financial Performance (revenue and expenditure)											
Description	Ref	2016/17	2017/18	2018/19	Current Year 2019/20				2020/21 Medium Term Revenue & Expenditure Framework		
R thousand	1	Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Pre-audit outcome	Budget Year 2020/21	Budget Year +1 2021/22	Budget Year +2 2022/23
Revenue:											
Total Revenue (excluding capital transfers and contributions)		46 340	50 502	51 901	55 200	76 288	76 288	76 288	59 517	62 053	64 966
Expenditure By Type											
Total Expenditure		57 899	67 390	68 302	76 271	73 567	73 567	73 567	79 859	81 847	86 824
Surplus/(Deficit)		(11 559)	(16 888)	(16 401)	(21 071)	2 721	2 721	2 721	(20 342)	(19 794)	(21 858)
(National / Provincial and District)		6 586	17 556	12 862	10 079	5 218	5 218	5 218	6 742	18 466	17 130
Surplus/(Deficit) after capital transfers & contributions		(4 973)	1 046	(3 538)	(10 992)	7 940	7 940	7 940	(13 600)	(1 328)	(4 728)

Total operating revenue for the 2020/21 amounting to R50,5 million. For the two outer years, operational revenue will increase by R22,83 million during 2021/22 and R4.69 million during 2022/23 respectively when compared to the 2019/20 financial year.

Total operating expenditure for the 2020/21 amounting to R79,85 million. For the two outer years, operational expenditure will increase by R1.94 million during 2021/22 and R4.97 million during 2022/23 respectively when compared to the 2019/20 financial year.

1.4 Operating Revenue Framework

For the Khâi-MA to continue improving the quality of services provided to its citizens it needs to generate the required revenue. In these tough economic times strong revenue management is fundamental to the financial sustainability of every municipality. The reality is that we are faced with development backlogs and poverty. The expenditure required to address these challenges will inevitably always exceed available funding; hence difficult choices have to be made in relation to tariff increases and balancing expenditures against realistically anticipated revenues.

The municipality's revenue strategy is built around the following key components:

- National Treasury's guidelines and macroeconomic policy;
- Growth in the municipality and continued economic development;
- Efficient revenue management, which aims to ensure a 80 per cent annual collection rate for property rates and other key service charges;
- Electricity tariff increases as approved by the National Electricity Regulator of South Africa (NERSA);
- Achievement of full cost recovery of specific user charges especially in relation to trading services;
- Determining the tariff escalation rate by establishing/calculating the revenue requirement of each service;

- The municipality's Property Rates Policy must be approved in terms of the Municipal Property Rates Act, 2004 (Act 6 of 2004) (MPRA);
- Increase ability to extend new services and recover costs;
- The municipality's Indigent Policy and rendering of free basic services; and
- Tariff policies of the municipality.

The following table is a summary of the 2020/21 MTREF (classified by main revenue source):

Table 2 Summary of revenue classified by main revenue source

NC067 Khai-Ma - Table A4 Budgeted Financial Performance (revenue and expenditure)											
Description	Ref	2016/17	2017/18	2018/19	Current Year 2019/20				2020/21 Medium Term Revenue & Expenditure Framework		
R thousand	1	Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Pre-audit outcome	Budget Year 2020/21	Budget Year +1 2021/22	Budget Year +2 2022/23
Revenue By Source											
Property rates	2	4 078	5 053	5 311	8 236	8 465	8 465	8 465	9 079	9 496	9 933
Service charges - electricity revenue	2	7 250	7 532	8 345	9 329	14 224	14 224	14 224	10 239	10 710	11 203
Service charges - water revenue	2	6 831	6 403	5 903	6 432	13 459	13 459	13 459	7 736	8 092	8 464
Service charges - sanitation revenue	2	1 053	1 291	1 381	1 377	3 251	3 251	3 251	1 387	1 451	1 518
Service charges - refuse revenue	2	953	1 094	1 210	1 242	4 593	4 593	4 593	1 273	1 332	1 393
Rental of facilities and equipment		182	214	232	195	195	195	195	205	217	217
Interest earned - external investments		388	660	293	200	200	200	200	211	222	222
Interest earned - outstanding debtors		2 258	3 182	3 764	3 881	4 141	4 141	4 141	4 060	4 311	4 311
Dividends received		-	-	-	-	-	-	-	-	-	-
Fines, penalties and forfeits		31	55	68	82	82	82	82	86	91	91
Licences and permits		41	34	41	85	65	65	65	90	95	95
Agency services		236	243	174	-	-	-	-	-	-	-
Transfers and subsidies		20 059	20 083	22 125	24 110	27 582	27 582	27 582	25 118	26 003	27 485
Other revenue	2	2 980	4 659	3 053	31	31	31	31	32	33	35
Gains		-	-	-	-	-	-	-	-	-	-
Total Revenue (excluding capital transfers and		46 340	50 502	51 901	55 200	76 288	76 288	76 288	59 517	62 053	64 966

In line with the formats prescribed by the Municipal Budget and Reporting Regulations, capital transfers and contributions are excluded from the operating statement, as inclusion of these revenue sources would distort the calculation of the operating surplus/deficit.

Revenue generated from rates and services charges forms a significant percentage of the revenue basket for the municipality. Rates and service charge revenues comprise more than 49.92% of the total revenue mix. This growth can be mainly attributed to the increased share that the assessment rates contributes to the total revenue mix. The revenue foregone arising from discounts and rebates associated with the tariff policy of the Municipality. Details in this regard are contained in Table 64 MBRR SA1.

Table 3 Operating Transfers and Grant Receipts:

NC067 Khai-Ma - Supporting Table SA19 Expenditure on transfers and grant programme										
Description	Ref	2016/17	2017/18	2018/19	Current Year 2019/20			2020/21 Medium Term Revenue & Expenditure Framework		
		Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2020/21	Budget Year +1 2021/22	Budget Year +2 2022/23
R thousand										
EXPENDITURE:	1									
Operating expenditure of Transfers and Grants										
National Government:		17 925	18 291	21 367	23 402	23 037	23 037	25 118	26 003	27 485
Local Government Equitable Share		15 552	16 391	17 394	18 953	18 953	18 953	20 307	21 858	23 315
Local Government Financial Management Grant		1 825	1 900	1 970	2 435	2 435	2 435	2 800	3 100	3 100
Municipal Infrastructure Grant		-	-	1 002	1 014	649	649	1 011	1 045	1 070
Expanded Public Works Programme		-	-	1 000	1 000	1 000	1 000	1 000	-	-
Integrated National Electrification Programme		-	-	-	-	-	-	-	-	-
Municipal Water Infrastructure Grant		-	-	-	-	-	-	-	-	-
Municipal Systems Improvement Grant		548	-	-	-	-	-	-	-	-
Provincial Government:		2 134	1 715	708	708	708	708	-	-	-
Libraries, Archives and Museums - Library Services		1 134	813	708	708	708	708	-	-	-
Expanded Public Works Programme		1 000	903	-	-	-	-	-	-	-
District Municipality:		-	-	-	-	-	-	-	-	-
Northern Cape - DC 06 - Namakwa		-	-	-	-	-	-	-	-	-
Other grant providers:		-	76	50	-	3 837	3 837	-	-	-
Construction, Education and Training SETA		-	76	-	-	-	-	-	-	-
National Treasury (Auditor-General)		-	-	-	-	3 066	3 066	-	-	-
Vedanta Black Mountain		-	-	50	-	772	772	-	-	-
Total operating expenditure of Transfers and Grants		20 059	20 083	22 125	24 110	27 582	27 582	25 118	26 003	27 485
Capital expenditure of Transfers and Grants										
National Government:		6 586	17 556	12 862	10 079	5 218	5 218	6 742	18 466	17 130
Municipal Infrastructure Grant		6 586	12 587	6 710	6 759	3 867	3 867	6 742	6 966	7 130
Integrated National Electrification Programme		-	983	1 071	1 920	894	894	-	1 500	5 000
Municipal Water Infrastructure Grant		-	3 986	5 082	1 400	-	-	-	10 000	5 000
Sport		-	-	-	-	458	458	-	-	-
Provincial Government:		-	-	-	-	-	-	-	-	-
COGHTA		-	-	-	-	-	-	-	-	-
District Municipality:		-	-	-	-	-	-	-	-	-
Northern Cape - DC 06 - Namakwa		-	-	-	-	-	-	-	-	-
Other grant providers:		-	-	-	-	-	-	-	-	-
Construction, Education and Training SETA		-	-	-	-	-	-	-	-	-
Vedanta Black Mountain		-	-	-	-	-	-	-	-	-
Total capital expenditure of Transfers and Grants		6 586	17 556	12 862	10 079	5 218	5 218	6 742	18 466	17 130
TOTAL EXPENDITURE OF TRANSFERS AND GRANTS		26 645	37 639	34 987	34 189	32 800	32 800	31 860	44 469	44 615

Operating grants and transfers totals to R 31.1 million in the 2020/21 financial year and increase to R 44,4 million by 2021/22 and R44,6 million by 2022/23. The above table gives a breakdown of the various operating grants and subsidies allocated to the municipality over the medium term. The equitable share of R20.3 million include an amount of R1.64 million for Special Support for councillor remuneration and ward committees. The total operating and capital grant funding amounting to R7,753 million for the 2020/21 financial year.

Tariff-setting is a pivotal and strategic part of the compilation of any budget. When rates, tariffs and other charges were revised, local economic conditions, input costs and the affordability of services were taken into account to ensure the financial sustainability of the municipality. National Treasury continues to encourage municipalities to keep increases in rates, tariffs and other charges as low as possible.

1.4.1 Property Rates

Property rates not covering the cost of the provision of general services. Determining the effective property rate tariff is therefore an integral part of the municipality's budgeting process.

National Treasury's MFMA Circular No. 51 deals, inter alia with the implementation of the Municipal Property Rates Act, with the regulations issued by the Department of Co-operative Governance. These regulations came into effect on 1 July 2013 and prescribe the rate ratio for the non-residential categories, public service infrastructure and agricultural properties relative to residential properties to be 0,25:1. The implementation of these regulations was done in the previous budget process and the Property Rates Policy of the Municipality has been amended accordingly. The new valuation roll is implemented at 1 July 2019.

The following stipulations in the Property Rates Policy are highlighted:

- The first R25000 of the market value of a property used for residential purposes is excluded from the rate-able value (Section 17(h) of the MPRA).

The categories of rate-able properties for purposes of levying rates and the proposed rates for the 2020/21 financial year based on the new valuation roll implemented on 1 July 2019. The proposed tariff increase is 7%:

Table 4 Comparison of proposed rates to levied for the 2020/21 financial year:

Category	Current Tariff (1 July 2019)	Proposed tariff (from 1 July 2020)
	C	C
Residential properties	0.011	0.01177
State owned properties	0.011	0.01177
Business & Commercial	0.013	0.01391
Agricultural	0.00088	0.0009416
Vacant land	0.011	0.01177
Mining	0.013	0.01391
Industrial	0.013	0.01391
Renewable energy	0.013	0.01391
Non-permitted use	0	0
Public benefit organisation properties	0	0
Public infrastructure	0.00275	0.002942

1.4.2 Sale of Water and Impact of Tariff Increases

National Treasury is encouraging all municipalities to carefully review the level and structure of their water tariffs to ensure:

- Water tariffs are fully cost-reflective – including the cost of maintenance and renewal of purification plants, water networks and the cost associated with reticulation expansion;
- Water tariffs are structured to protect basic levels of service and ensure the provision of free water to the poorest of the poor (indigent); and
- Water tariffs are designed to encourage efficient and sustainable consumption.

In addition National Treasury has urged all municipalities to ensure that water tariff structures are cost reflective by 2019.

A tariff increase of 8% from 1 July 2020 for water is proposed. Sedibeng proposed an increase of 7.5%.

A summary of the proposed tariffs for households (residential) and non-residential are as follows:

Table 5 Proposed Water Tariffs

CATEGORY	CURRENT TARIFFS 2019/20	PROPOSED TARIFFS 2020/21
	Rand per kℓ	Rand per kℓ
RESIDENTIAL		
(i) 1 >	14.62	15.79
BUSSINESS		
(ii) 1>	14.62	15.79

The following table shows the impact of the proposed increases in water tariffs on the water charges for a single dwelling-house:

Table 6 Comparison between current water charges and increases (Domestic)

R thousand	Audited Outcome	Audited Outcome	Audited Outcome
Revenue by Vote			
Water	10 961	22 020	17 668
Less Capital	-1 167	-9 239	-2 674
	9 793	12 781	14 994
Expenditure by Vote			
Water Disdtribution	8 971	11 718	18 055
	823	1 062	-3 061

1.4.3 Sale of electricity and Impact of tariff Increases

Nersa has announced a bulk electricity pricing increase of 8.1 per cent for 2020/21, 5.2 per cent 2021/22 and 8.9 per cent for 2022/23.

The increase for municipalities will be for the 2020/21 financial year 6.22%. All indigents will receive 50 kWh free of charge.

TARIFF INCREASE FROM 2017/18 UNTIL 2022/23												
	2017/18 Increase		2018/19 Increase		2019/20 Increase		2020/21 Increase		2021/22 Increase		2022/23 Increase	
Electricity pre-paid (Econ)	1.7706	1.88%	1.8917	6.84%	2.1389	13.06%	2.2719	6.22%	2.3917	4.60%	2.5017	4.60%
Eelctricity pre-paid (Indigent)	1.508	1.88%	1.6113	6.84%	1.8217	13.06%	1.9350	6.22%	2.0369	4.60%	2.1306	4.60%

Table 7 Comparison between current electricity charges and increases (Domestic)

A proposed tariff increase of 6%.

Sanitation:

The sanitation services is currently operating at a deficit due to high percentage of indigents.

A tariff increase of 6% per cent for sanitation from 1 July 2020 is proposed. The following factors also contribute to the proposed tariff increase:

- Free sanitation will be applicable to registered indigents; and
- The total revenue expected to be generated from rendering this service amounts to R1,3 million for the 2020/21 financial year.

The following table compares the current and proposed tariffs:

Table 8 Comparison between current sanitation charges and increases

CATEGORY	CURRENT TARIFF 2019/20		PROPOSED TARIFF 2020/21	
	per cent DISCHARGED	Basic	per cent DISCHARGED	Basic
		R		R
Residential and Indigents		138.70		147.02
Business		138.70		147.02

The following table shows the impact of the proposed increases in sanitation tariffs on the sanitation charges for a single dwelling-house:

Table 9 Comparison between current sanitation charges and increases, single dwelling-houses

Monthly sanitation Consumption	Current amount Payable 2019/20	Proposed amount Payable 2020/21	Difference (% increase)
	R	R	R
First pump	138.70	147.02	6%

1.4.4 Waste removal and impact of tariff Increases

The waste removal services is currently operating at a deficit due to high percentage of indigents.

A proposed 6 per cent increase in the waste removal tariff is proposed from 1 July 2020.

Any increase higher than 6% per cent would be counter-productive and will result in affordability challenges for individual rates payers raising the risk associated with bad debt.

The following table compares current and proposed amounts payable from 1 July 2020:

Table 10 Comparison between current waste removal fees and increases

	CURRENT TARIFFS 2019/20		PROPOSED TARIFFS 2020/21	
		WASTE REMOVAL	CLEANING	
Tariff per container per month or part of a month:Residencial		Per month (R)131.00		Per month (R)138.86
Tariff per container per month or part of a month:Business		Per month(R)262.00		Per month (R)277.72

1.4.5 Overall impact of tariff increases on households

The following table shows the overall expected impact of the tariff increases on a large and small household, as well as an indigent household receiving free basic services.

The increase for indigent households is also 6.1% and will be subsidized from the equitable share.

Table 12 MBRR Table SA14 – Household bills

NC067 Khai-Ma - Supporting Table SA14 Household bills											
Description	Ref	2016/17	2017/18	2018/19	Current Year 2019/20			2020/21 Medium Term Revenue & Expenditure Framework			
		Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2020/21 % incr.	Budget Year 2020/21	Budget Year +1 2021/22	Budget Year +2 2022/23
Rand/cent											
<u>Monthly Account for Household - 'Middle Income Range'</u>	1										
Rates and services charges:											
Property rates		869.17	896.62	931.18	665.00	665.00	665.00	3.2%	686.58	718.16	751.19
Electricity: Basic levy		—	—	—	—	—	—				
Electricity: Consumption		1 738.00	998.23	1 055.13	2 138.90	2 138.90	2 138.90	6.9%	2 286.50	2 391.68	2 501.70
Water: Basic levy		118.70	127.00	138.01	140.69	140.69	140.69	7.9%	151.85	158.84	166.14
Water: Consumption		372.00	396.00	418.57	438.60	438.60	438.60	8.0%	473.70	495.49	518.28
Sanitation		111.70	122.87	129.87	138.70	138.70	138.70	6.0%	147.02	153.78	160.86
Refuse removal		105.50	116.05	122.66	131.00	131.00	131.00	6.0%	138.86	145.28	151.93
Other		—	—	—	—	—	—				
sub-total		3 315.07	2 656.77	2 795.42	3 652.89	3 652.89	3 652.89	6.3%	3 884.51	4 063.23	4 250.10
VAT on Services		—	—	—	—	—	—				
Total large household bill:		3 315.07	2 656.77	2 795.42	3 652.89	3 652.89	3 652.89	6.3%	3 884.51	4 063.23	4 250.10
% increase/-decrease			(19.9%)	5.2%	30.7%	—	—		6.3%	4.6%	4.6%
<u>Monthly Account for Household - 'Affordable Range'</u>	2										
Rates and services charges:											
Property rates		620.83	630.96	685.75	475.00	475.00	475.00	3.2%	490.00	512.97	536.57
Electricity: Basic levy		—	—	—	—	—	—				
Electricity: Consumption		869.00	885.30	935.76	910.85	910.85	910.85	6.9%	973.70	1 018.49	1 065.34
Water: Basic levy		118.70	127.00	138.01	140.69	140.69	140.69	7.9%	151.85	158.84	166.14
Water: Consumption		310.00	330.00	348.81	365.50	365.50	365.50	8.0%	394.75	412.91	431.90
Sanitation		111.70	122.87	129.87	138.70	138.70	138.70	6.0%	147.02	153.78	160.86
Refuse removal		105.50	116.05	122.66	131.00	131.00	131.00	6.0%	138.86	145.28	191.93
Other		—	—	—	—	—	—				
sub-total		2 135.73	2 212.18	2 360.86	2 161.74	2 161.74	2 161.74	6.2%	2 296.18	2 402.27	2 552.74
VAT on Services		—	—	—	—	—	—				
Total small household bill:		2 135.73	2 212.18	2 360.86	2 161.74	2 161.74	2 161.74	6.2%	2 296.18	2 402.27	2 552.74
% increase/-decrease			3.6%	6.7%	(8.4%)	—	—		6.2%	4.6%	6.3%
<u>Monthly Account for Household - 'Indigent'</u>	3										
<u>Household receiving free basic services</u>											
Rates and services charges:											
Property rates		372.50	398.50	397.00	285.00	285.00	285.00	3.2%	294.25	307.78	321.94
Electricity: Basic levy		—	—	—	—	—	—				
Electricity: Consumption		444.06	527.83	557.92	546.51	546.51	546.51	6.9%	584.22	611.09	639.20
Water: Basic levy		118.70	127.00	138.01	140.69	140.69	140.69	7.9%	151.85	158.84	166.14
Water: Consumption		173.60	264.00	279.04	87.72	87.72	87.72	8.0%	94.74	99.10	103.66
Sanitation		111.70	122.87	129.87	138.70	138.70	138.70	6.0%	147.02	153.78	160.86
Refuse removal		105.50	116.05	122.66	131.00	131.00	131.00	6.0%	138.86	145.28	191.93
Other		—	—	—	—	—	—				
sub-total		1 326.06	1 556.25	1 624.50	1 329.62	1 329.62	1 329.62	6.1%	1 410.94	1 475.87	1 583.73
VAT on Services		—	—	—	—	—	—				
Total small household bill:		1 326.06	1 556.25	1 624.50	1 329.62	1 329.62	1 329.62	6.1%	1 410.94	1 475.87	1 583.73
% increase/-decrease			17.4%	4.4%	(18.2%)	—	—		6.1%	4.6%	7.3%

1.5 Operating Expenditure Framework

The municipalities expenditure framework for the 2020/21 budget and MTREF is informed by the following:

- The asset renewal strategy and the repairs and maintenance plan;
- Balanced budget constraint (operating expenditure should not exceed operating revenue) unless there are existing uncommitted cash-backed reserves to fund any deficit;
- Funding of the budget over the medium-term as informed by Section 18 and 19 of the MFMA;

- The capital programme is aligned to the asset renewal strategy and backlog eradication plan.

The following table is a high level summary of the 2020/21 budget and MTREF (classified per main type of operating expenditure):

NC067 Khai-Ma - Table A4 Budgeted Financial Performance (revenue and expenditure)											
Description	Ref	2016/17	2017/18	2018/19	Current Year 2019/20				2020/21 Medium Term Revenue & Expenditure Framework		
R thousand	1	Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Pre-audit outcome	Budget Year 2020/21	Budget Year +1 2021/22	Budget Year +2 2022/23
Expenditure By Type											
Employee related costs	2	19 300	21 109	21 565	32 274	26 988	26 988	26 988	31 299	32 865	34 803
Remuneration of councillors		2 214	2 662	2 594	3 110	2 876	2 876	2 876	2 811	2 976	3 150
Debt impairment	3	9 389	8 896	7 850	5 373	5 373	5 373	5 373	6 199	6 080	6 267
Depreciation & asset impairment	2	3 519	9 265	7 429	3 474	4 740	4 740	4 740	4 848	4 548	4 890
Finance charges		2 449	2 939	3 213	2 126	3 201	3 201	3 201	3 327	2 253	2 309
Bulk purchases	2	10 830	12 394	12 933	14 275	14 401	14 401	14 401	15 314	16 327	17 834
Other materials	8	–	1 744	1 562	3 840	3 980	3 980	3 980	4 098	4 286	4 483
Contracted services		3 030	2 287	3 303	3 574	4 074	4 074	4 074	3 728	3 899	4 079
Transfers and subsidies		–	–	–	–	–	–	–	–	–	–
Other expenditure	4, 5	7 013	6 089	7 779	8 226	7 935	7 935	7 935	8 234	8 613	9 009
Losses		156	6	76	–	–	–	–	–	–	–
Total Expenditure		57 899	67 390	68 302	76 271	73 567	73 567	73 567	79 859	81 847	86 824

Table 13 Summary of operating expenditure by standard classification item

The budgeted allocation for employee related costs for the 2020/21 financial year totals R31,29 million, which equals 39,19 per cent of the total operating expenditure.

The cost associated with the remuneration of councillors is determined by the Minister of Co-operative Governance and Traditional Affairs in accordance with the Remuneration of Public Office Bearers Act, 1998 (Act 20 of 1998).

The provision of debt impairment was determined based on an annual collection rate of 80% per cent and the Debt Write-off Policy of the municipality.

Provision for depreciation and asset impairment has been informed by the Municipality's Asset Management Policy. Depreciation is widely considered a proxy for the measurement of the rate asset consumption. Note that the implementation of GRAP 17 accounting standard has meant bringing a range of assets previously not included in the assets register onto the register.

Finance charges consist primarily of the repayment of interest on long-term borrowing (cost of capital). All longterm loans of Khâi-MA Municipality are redeemed.

Bulk purchases are directly informed by the purchase of electricity from Eskom and water from Sedibeng. The annual price increases have been factored into the budget appropriations and directly inform the revenue provisions. The expenditures include distribution losses. Increase by Eskom amounting to 8,1% and Sedibeng to 7.5%.

Other materials comprises of amongst others the purchase of fuel, diesel, materials for maintenance, cleaning materials and chemicals. In line with the municipality repairs and

maintenance plan this group of expenditure has been prioritised to ensure sustainability of the municipalities infrastructure.

Other expenditure comprises of various line items relating to the daily operations of the municipality. This group of expenditure has also been identified as an area in which cost savings and efficiencies can be achieved.

The following table gives a breakdown of the main expenditure categories for the 2020/21 financial year.

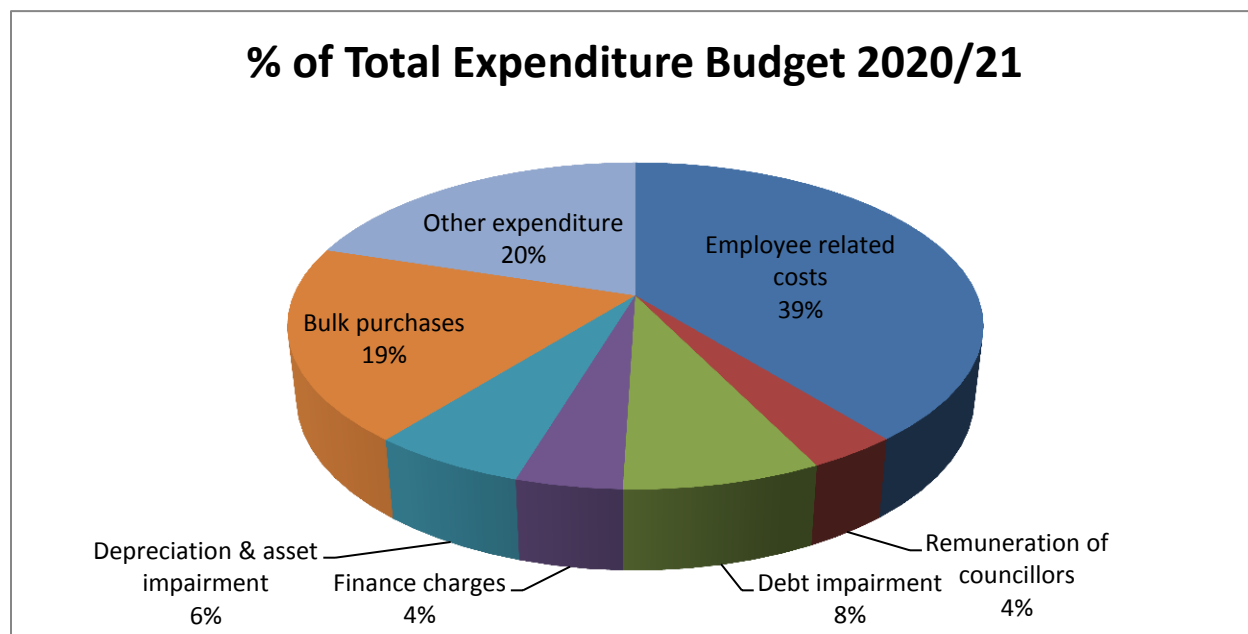


Figure 1 Main operational expenditure categories for the 2020/21 financial year

1.5.1 Priority given to repairs and maintenance

Aligned to the priority being given to preserving and maintaining the municipalities current infrastructure, the 2020/21 budget and MTREF provide for extensive growth in the area of asset maintenance, as informed by the asset renewal strategy and repairs and maintenance plan of the municipality.

Table 14 Operational repairs and maintenance

The table below provides a breakdown of the repairs and maintenance in relation to asset class: (see table 15)

Table 15 Repairs and maintenance per asset class

The table below provides a breakdown of the repairs and maintenance in relation to asset class:

NC067 Khai-Ma - Table A9 Asset Management										
Description	Ref	2016/17	2017/18	2018/19	Current Year 2019/20			2020/21 Medium Term Revenue & Expenditure Framework		
R thousand		Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2020/21	Budget Year +1 2021/22	Budget Year +2 2022/23
Repairs and Maintenance by Asset Class	3	1 127	1 942	2 513	4 174	4 074	4 074	4 136	4 326	4 525
Roads Infrastructure		13	702	113	297	297	297	311	325	340
Storm water Infrastructure		-	-	-	-	-	-	-	-	-
Electrical Infrastructure		130	101	61	262	262	262	194	203	212
Water Supply Infrastructure		324	178	982	1 576	1 576	1 576	1 510	1 579	1 652
Sanitation Infrastructure		26	2	36	163	163	163	171	179	187
Solid Waste Infrastructure		49	-	42	396	396	396	414	433	453
Information and Communication Infrastructure		-	-	-	-	-	-	-	-	-
Infrastructure		542	984	1 234	2 694	2 694	2 694	2 600	2 719	2 845
Community Facilities		-	2	-	100	100	100	104	109	114
Sport and Recreation Facilities		3	11	1	33	33	33	35	36	38
Community Assets		3	13	1	133	133	133	139	145	152
Heritage Assets		-	-	-	-	-	-	-	-	-
Revenue Generating		-	-	-	111	111	111	117	122	127
Investment properties		-	-	-	111	111	111	117	122	127
Operational Buildings		8	322	42	56	56	56	59	61	64
Housing		4	10	88	13	13	13	13	14	14
Other Assets		12	332	131	69	69	69	72	75	78
Intangible Assets		-	-	-	-	-	-	-	-	-
Computer Equipment		123	250	900	580	580	580	607	635	664
Furniture and Office Equipment		7	89	36	20	20	20	21	22	22
Machinery and Equipment		9	-	14	65	65	65	68	71	74
Transport Assets		431	274	196	502	402	402	514	538	562
TOTAL EXPENDITURE OTHER ITEMS		4 646	11 208	9 941	7 648	8 813	8 813	8 984	8 874	9 415

1.5.2 Free Basic Services: Basic Social Services Package

The social package assists households that are poor or face other circumstances that limit their ability to pay for services. To receive these free services the households are required to register in terms of the municipalities Indigent Policy. The target is to register 1800 indigent households during the 2020/21 financial year, a process reviewed annually. Detail relating to free services, cost of free basis services, revenue lost owing to free basic services as well as basic service delivery measurement is contained in Table 27 MBRR A10 (Basic Service Delivery Measurement) on page 39.

The cost of the social package of the registered indigent households is largely financed by national government through the local government equitable share received in terms of the annual Division of Revenue Act.

Table 16 Medium-term capital budget per vote:

1.6 Capital expenditure

The following table provides a breakdown of budgeted capital expenditure by vote:

Table A9 2020/21 Medium-term capital budget per vote

NC067 Khai-Ma - Table A9 Asset Management										
Description	Ref	2016/17	2017/18	2018/19	Current Year 2019/20			2020/21 Medium-term Revenue & Expenditure Framework		
R thousand		Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2020/21	Budget Year +1 2021/22	Budget Year +2 2022/23
CAPITAL EXPENDITURE										
Total New Assets	1	6 902	19 317	13 669	10 279	6 056	6 056	6 942	18 466	17 130
Roads Infrastructure		4 426	-	-	-	-	-	-	-	-
Storm water Infrastructure		-	-	-	-	-	-	-	-	-
Electrical Infrastructure		-	199	1 483	1 920	840	840	-	1 500	5 000
Water Supply Infrastructure		1 184	12 077	7 143	7 459	3 867	3 867	6 742	16 966	12 130
Sanitation Infrastructure		-	-	2 408	700	-	-	-	-	-
Solid Waste Infrastructure		1 007	6 834	-	-	-	-	-	-	-
Rail Infrastructure		-	-	-	-	-	-	-	-	-
Coastal Infrastructure		-	-	-	-	-	-	-	-	-
Information and Communication Infrastructure		-	-	-	-	-	-	-	-	-
Infrastructure		6 617	19 110	11 034	10 079	4 706	4 706	6 742	18 466	17 130
Community Facilities		-	-	-	-	-	-	-	-	-
Sport and Recreation Facilities		-	-	2 536	-	458	458	-	-	-
Community Assets		-	-	2 536	-	458	458	-	-	-
Licences and Rights		10	26	23	-	-	-	-	-	-
Intangible Assets		10	26	23	-	-	-	-	-	-
Computer Equipment		116	68	63	200	200	200	200	-	-
Furniture and Office Equipment		123	-	8	-	-	-	-	-	-
Machinery and Equipment		8	113	5	-	-	-	-	-	-
Transport Assets		28	-	-	-	692	692	-	-	-
Land		-	-	-	-	-	-	-	-	-
Zoo's, Marine and Non-biological Animals		-	-	-	-	-	-	-	-	-
Total Renewal of Existing Assets	2	160	2 959	-	-	-	-	-	-	-
Roads Infrastructure		-	-	-	-	-	-	-	-	-
Sport and Recreation Facilities		160	2 959	-	-	-	-	-	-	-
Community Assets		160	2 959	-	-	-	-	-	-	-

Total Capital Expenditure	4	7 062	22 277	13 669	10 279	6 056	6 056	6 942	18 466	17 130
Roads Infrastructure		4 426	-	-	-	-	-	-	-	-
Storm water Infrastructure		-	-	-	-	-	-	-	-	-
Electrical Infrastructure		-	199	1 483	1 920	840	840	-	1 500	5 000
Water Supply Infrastructure		1 184	12 077	7 143	7 459	3 867	3 867	6 742	16 966	12 130
Sanitation Infrastructure		-	-	2 408	700	-	-	-	-	-
Solid Waste Infrastructure		1 007	6 834	-	-	-	-	-	-	-
Rail Infrastructure		-	-	-	-	-	-	-	-	-
Coastal Infrastructure		-	-	-	-	-	-	-	-	-
Information and Communication Infrastructure		-	-	-	-	-	-	-	-	-
Infrastructure		6 617	19 110	11 034	10 079	4 706	4 706	6 742	18 466	17 130
Community Facilities		-	-	-	-	-	-	-	-	-
Sport and Recreation Facilities		160	2 959	2 536	-	458	458	-	-	-
Community Assets		160	2 959	2 536	-	458	458	-	-	-
Licences and Rights		10	26	23	-	-	-	-	-	-
Intangible Assets		10	26	23	-	-	-	-	-	-
Computer Equipment		116	68	63	200	200	200	200	-	-
Furniture and Office Equipment		123	-	8	-	-	-	-	-	-
Machinery and Equipment		8	113	5	-	-	-	-	-	-
Transport Assets		28	-	-	-	692	692	-	-	-
Land		-	-	-	-	-	-	-	-	-
Zoo's, Marine and Non-biological Animals		-	-	-	-	-	-	-	-	-
TOTAL CAPITAL EXPENDITURE - Asset class		7 062	22 277	13 669	10 279	6 056	6 056	6 942	18 466	17 130

For 2020/21 an amount of R6.942 million has been appropriated for the development of infrastructure which represents 100 per cent of the total capital budget.

Future operational cost of new infrastructure

The future operational costs and revenues associated with the capital programme have been included in Table 61 MBRR SA35.

NC067 Khai-Ma - Supporting Table SA35 Future financial implications of the capital budget							
Vote Description	Ref	2020/21 Medium Term Revenue & Expenditure Framework			Forecasts		
		Budget Year 2020/21	Budget Year +1 2021/22	Budget Year +2 2022/23	Forecast 2023/24	Forecast 2024/25	Forecast 2025/26
R thousand							Present value
Capital expenditure	1						
Vote 1 - Municipal Manager		200	-	-	-	-	-
Vote 2 - Finance		-	-	-	-	-	-
Vote 3 - Corporate Services		-	-	-	-	-	-
Vote 4 - Infrastructure Development		6 742	18 466	17 130	-	-	-
Vote 5 - Economic Development		-	-	-	-	-	-
Total Capital Expenditure		6 942	18 466	17 130	-	-	-
Future operational costs by vote	2						
Vote 1 - Municipal Manager		-	-	-	-	-	-
Vote 2 - Finance		-	-	-	-	-	-
Vote 3 - Corporate Services		-	-	-	-	-	-
Vote 4 - Infrastructure Development		-	-	-	-	-	-
Vote 5 - Economic Development		-	-	-	-	-	-
Total future operational costs		-	-	-	-	-	-
Future revenue by source	3						
Property rates		-	-	-	-	-	-
Service charges - electricity revenue		-	-	-	-	-	-
Service charges - water revenue		-	-	-	-	-	-
Service charges - sanitation revenue		-	-	-	-	-	-
Service charges - refuse revenue		-	-	-	-	-	-
Rental of facilities and equipment		-	-	-	-	-	-
Total future revenue		-	-	-	-	-	-
Net Financial Implications		6 942	18 466	17 130	-	-	-

1.7 Annual Budget Tables - Parent Municipality

The following eighteen pages present the ten main budget tables as required in terms of section 8 of the Municipal Budget and Reporting Regulations. These tables set out the municipality's 2020/21 budget and MTREF as approved by the Council. Each table is accompanied by *explanatory notes* on the facing page.

Table 17 MBRR Table A1 - Budget Summary

NC067 Khai-Ma - Table A1 Budget Summary										
Description	2016/17	2017/18	2018/19	Current Year 2019/20				2020/21 Medium Term Revenue & Expenditure Framework		
	Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Pre-audit outcome	Budget Year 2020/21	Budget Year +1 2021/22	Budget Year +2 2022/23
R thousands										
Financial Performance										
Property rates	4 078	5 053	5 311	8 236	8 465	8 465	8 465	9 079	9 496	9 933
Service charges	16 086	16 320	16 839	18 381	35 528	35 528	35 528	20 636	21 585	22 578
Investment revenue	388	660	293	200	200	200	200	211	222	222
Transfers recognised - operational	20 059	20 083	22 125	24 110	27 977	27 977	27 977	25 118	26 003	27 485
Other own revenue	5 729	8 386	7 333	4 274	4 514	4 514	4 514	4 474	4 747	4 748
Total Revenue (excluding capital transfers and contributions)	46 340	50 502	51 901	55 200	76 683	76 683	76 683	59 517	62 053	64 966
Employee costs	19 300	21 109	21 565	32 274	26 988	26 988	26 988	31 299	32 865	34 803
Remuneration of councillors	2 214	2 662	2 594	3 110	2 876	2 876	2 876	2 811	2 976	3 150
Depreciation & asset impairment	3 519	9 265	7 429	3 474	4 740	4 740	4 740	4 848	4 548	4 890
Finance charges	2 449	2 939	3 213	2 126	3 201	3 201	3 201	3 327	2 253	2 309
Materials and bulk purchases	10 830	14 138	14 494	18 115	18 411	18 411	18 411	19 412	20 613	22 318
Transfers and grants	-	-	-	-	-	-	-	-	-	-
Other expenditure	19 588	17 278	19 007	17 172	17 381	17 381	17 381	18 162	18 592	19 355
Total Expenditure	57 899	67 390	68 302	76 271	73 597	73 597	73 597	79 859	81 847	86 824
Surplus/(Deficit)	(11 559)	(16 888)	(16 401)	(21 071)	3 087	3 087	3 087	(20 342)	(19 794)	(21 858)
Transfers and subsidies - capital (monetary allocations) (National / Provincial and District)	6 586	17 556	12 862	10 079	7 653	7 653	7 653	6 742	18 466	17 130
Transfers and subsidies - capital (monetary allocations) (National / Provincial Departmental Agencies, Households, Non-profit Institutions, Private Enterprises, Public Corporations, Higher Educational Institutions) & Transfers and subsidies - capital (in-kind - all)	-	378	-	-	-	-	-	-	-	-
Surplus/(Deficit) after capital transfers & contributions	(4 973)	1 046	(3 538)	(10 992)	10 740	10 740	10 740	(13 600)	(1 328)	(4 728)
Share of surplus/ (deficit) of associate	-	-	-	-	-	-	-	-	-	-
Surplus/(Deficit) for the year	(4 973)	1 046	(3 538)	(10 992)	10 740	10 740	10 740	(13 600)	(1 328)	(4 728)
Capital expenditure & funds sources										
Capital expenditure	7 062	22 277	13 669	10 279	8 491	8 491	8 491	6 942	18 466	17 130
Transfers recognised - capital	5 872	15 124	12 862	10 079	7 141	7 141	7 141	6 742	18 466	17 130
Borrowing	-	-	-	-	-	-	-	-	-	-
Internally generated funds	1 190	7 153	807	200	1 349	1 349	1 349	200	-	-
Total sources of capital funds	7 062	22 277	13 669	10 279	8 491	8 491	8 491	6 942	18 466	17 130
Financial position										
Total current assets	11 708	9 853	12 280	1 005	9 705	7 720	7 720	4 415	4 232	4 242
Total non current assets	97 127	117 007	121 911	146 510	124 962	125 662	125 662	127 756	141 674	153 915
Total current liabilities	39 213	52 551	58 294	31 823	34 134	31 572	31 572	42 149	55 520	70 678
Total non current liabilities	10 331	15 360	20 485	32 335	34 178	35 659	35 659	37 471	39 163	40 983
Community wealth/Equity	59 291	58 950	55 411	83 357	66 355	66 151	66 151	52 551	51 224	46 496
Cash flows										
Net cash from (used) operating	11 034	9 784	13 937	(7 569)	11 155	9 381	9 381	5 048	18 267	17 130
Net cash from (used) investing	(5 978)	(15 443)	(13 669)	(10 279)	(8 491)	(8 491)	(8 491)	(6 942)	(18 466)	(17 130)
Net cash from (used) financing	1	5	(7)	13	13	13	13	11	16	10
Cash/cash equivalents at the year end	6 588	933	1 194	(17 018)	3 872	2 098	2 098	215	32	42
Cash backing/surplus reconciliation										
Cash and investments available	6 588	933	1 194	(17 018)	3 872	2 098	2 098	215	32	42
Application of cash and investments	28 063	27 713	36 088	12 257	33 688	31 322	31 322	215	32	42
Balance - surplus (shortfall)	(21 475)	(26 779)	(34 894)	(29 275)	(29 816)	(29 224)	(29 224)	-	-	(0)
Asset management										
Asset register summary (WDV)	97 127	117 007	121 911	146 510	125 662	125 662	125 662	127 756	141 674	153 915
Depreciation	3 519	9 265	7 429	3 474	4 740	4 740	4 740	4 848	4 548	4 890
Renewal and Upgrading of Existing Assets	160	2 959	-	-	-	-	-	-	-	-
Repairs and Maintenance	1 127	1 942	2 513	4 174	2 359	2 359	2 359	4 136	4 326	4 525
Free services										
Cost of Free Basic Services provided	-	-	-	21 253	21 253	21 253	34 020	34 020	35 585	37 222
Revenue cost of free services provided	19 962	21 278	22 867	20 775	21 234	21 234	22 881	22 881	23 933	25 034
Households below minimum service level										
Water:	-	-	-	-	-	-	-	-	-	-
Sanitation/sewerage:	-	-	-	-	-	-	-	-	-	-
Energy:	-	-	-	-	-	-	-	-	-	-
Refuse:	-	-	-	-	-	-	-	-	-	-

Explanatory notes to MBRR Table A1 - Budget Summary

1. Table A1 is a budget summary and provides a concise overview of the municipalities budget from all of the major financial perspectives (operating, capital expenditure, financial position, cash flow, and MFMA funding compliance).
2. The table provides an overview of the amounts approved by Council for operating performance, resources deployed to capital expenditure, financial position, cash and funding compliance, as well as the municipality's commitment to eliminating basic service delivery backlogs.
3. Financial management reforms emphasises the importance of the municipal budget being funded. This requires the simultaneous assessment of the Financial Performance, Financial Position and Cash Flow Budgets, along with the Capital Budget. The Budget Summary provides the key information in this regard:
 - a. The operating surplus/deficit (after Total Expenditure) is positive over the MTREF
 - b. Capital expenditure is balanced by capital funding sources, of which
 - i. Transfers recognised is reflected on the Financial Performance Budget;
 - ii. Borrowing is incorporated in the net cash from financing on the Cash Flow Budget
 - iii. Internally generated funds is financed from a combination of the current operating surplus and accumulated cash-backed surpluses from previous years. The amount is incorporated in the Net cash from investing on the Cash Flow Budget. The fact that the municipality's cash flow remains positive, and is improving indicates that the necessary cash resources are available to fund the Capital Budget

Table 18 MBRR Table A2 - Budgeted Financial Performance (revenue and expenditure by standard classification)

NC067 Khai-Ma - Table A2 Budgeted Financial Performance (revenue and expenditure by functional classification)										
Functional Classification Description	Ref	2016/17	2017/18	2018/19	Current Year 2019/20			2020/21 Medium Term Revenue & Expenditure Framework		
		Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2020/21	Budget Year +1 2021/22	Budget Year +2 2022/23
R thousand	1									
Revenue - Functional										
<i>Governance and administration</i>		25 532	29 621	29 909	30 165	36 531	36 531	35 163	37 575	39 574
Executive and council		15 576	16 485	17 444	18 953	19 725	19 725	20 307	21 858	23 315
Finance and administration		9 287	11 856	12 464	11 212	16 807	16 807	14 856	15 717	16 259
Internal audit		669	1 280	—	—	—	—	—	—	—
<i>Community and public safety</i>		1 323	4 161	2 708	483	756	756	(428)	(448)	(468)
Community and social services		1 139	813	611	692	554	554	(161)	(168)	(176)
Sport and recreation		184	3 348	2 097	(209)	202	202	(267)	(279)	(292)
Public safety		—	—	—	—	—	—	—	—	—
Housing		—	—	—	—	—	—	—	—	—
Health		—	—	—	—	—	—	—	—	—
<i>Economic and environmental services</i>		5 385	1 238	(70)	(142)	(346)	(346)	(339)	(353)	(378)
Planning and development		—	—	—	—	—	—	—	—	—
Road transport		5 385	1 238	(70)	(142)	(346)	(346)	(339)	(353)	(378)
Environmental protection		—	—	—	—	—	—	—	—	—
<i>Trading services</i>		20 687	33 417	32 216	34 773	44 564	44 564	31 863	43 745	43 369
Energy sources		7 362	8 629	9 962	11 932	15 764	15 764	10 884	12 919	16 938
Water management		10 961	21 926	17 668	17 862	20 905	20 905	18 368	29 138	24 696
Waste water management		1 239	1 538	3 347	3 426	3 392	3 392	1 491	516	523
Waste management		1 125	1 325	1 240	1 553	4 504	4 504	1 120	1 172	1 212
<i>Other</i>	4	—	—	—	—	—	—	—	—	—
Total Revenue - Functional	2	52 926	68 437	64 763	65 279	81 506	81 506	66 259	80 519	82 096
Expenditure - Functional										
<i>Governance and administration</i>		27 965	23 449	23 496	31 967	29 695	29 695	32 513	33 892	35 681
Executive and council		15 367	7 606	7 665	9 100	8 780	8 780	8 826	9 310	9 822
Finance and administration		4 503	6 153	15 831	22 867	20 915	20 915	23 687	24 582	25 859
Internal audit		8 095	9 691	—	—	—	—	—	—	—
<i>Community and public safety</i>		2 005	1 797	1 968	2 665	2 632	2 632	2 882	2 950	3 089
Community and social services		1 554	1 374	1 687	2 110	2 087	2 087	2 096	2 147	2 268
Sport and recreation		451	423	282	555	545	545	786	803	821
Public safety		—	—	—	—	—	—	—	—	—
Housing		—	—	—	—	—	—	—	—	—
Health		—	—	—	—	—	—	—	—	—
<i>Economic and environmental services</i>		2 922	3 077	2 298	3 529	3 118	3 118	2 942	2 442	2 576
Planning and development		1 071	843	908	1 263	1 150	1 150	795	839	885
Road transport		1 851	2 234	1 390	2 265	1 968	1 968	2 147	1 604	1 691
Environmental protection		—	—	—	—	—	—	—	—	—
<i>Trading services</i>		25 007	39 068	40 539	38 111	38 122	38 122	41 522	42 562	45 478
Energy sources		10 426	16 386	13 577	14 491	16 162	16 162	16 574	16 481	17 721
Water management		8 971	11 718	18 055	13 181	13 609	13 609	13 367	14 675	15 809
Waste water management		2 628	2 681	1 859	5 028	3 806	3 806	4 982	5 227	5 504
Waste management		2 983	8 282	7 048	5 411	4 544	4 544	6 599	6 179	6 444
<i>Other</i>	4	—	—	—	—	—	—	—	—	—
Total Expenditure - Functional	3	57 899	67 390	68 302	76 271	73 567	73 567	79 859	81 847	86 824
Surplus/(Deficit) for the year		(4 973)	1 046	(3 538)	(10 992)	7 940	7 940	(13 600)	(1 328)	(4 728)

Explanatory notes to MBRR Table A2 - Budgeted Financial Performance (revenue and expenditure by standard classification)

- Table A2 is a view of the budgeted financial performance in relation to revenue and expenditure per standard classification. The modified GFS standard classification divides the municipal services into 15 functional areas. Municipal revenue, operating expenditure and capital expenditure are then classified in terms of each of these functional areas which enables the National Treasury to compile 'whole of government' reports.
- Note the Total Revenue on this table includes capital revenues (Transfers recognised – capital) and so does not balance to the operating revenue shown on Table A4.

- Note that as a general principle the revenues for the Trading Services should exceed their expenditures. The table highlights that this is the case for Electricity, Water and Waste water functions, but not the Waste management function.

4. Table 19 MBRR Table A3 - Budgeted Financial Performance (revenue and expenditure by municipal vote)

NC067 Khai-Ma - Table A3 Budgeted Financial Performance (revenue and expenditure by municipal vote)										
Vote Description	Ref	2016/17	2017/18	2018/19	Current Year 2019/20			2020/21 Medium Term Revenue & Expenditure Framework		
		Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2020/21	Budget Year +1 2021/22	Budget Year +2 2022/23
R thousand										
Revenue by Vote	1									
Vote 1 - Municipal Manager		15 576	16 391	17 444	18 953	19 725	19 725	20 307	21 858	23 315
Vote 2 - Finance		9 809	12 902	11 139	11 410	14 685	14 685	12 658	13 417	13 855
Vote 3 - Corporate Services		1 597	1 328	2 232	695	2 856	2 856	2 249	2 354	2 452
Vote 4 - Infrastructure Development		25 944	37 816	33 947	34 222	44 241	44 241	31 045	42 890	42 475
Vote 5 - Economic Development		—	—	—	—	—	—	—	—	—
Total Revenue by Vote	2	52 926	68 437	64 763	65 279	81 506	81 506	66 259	80 519	82 096
Expenditure by Vote to be appropriated	1									
Vote 1 - Municipal Manager		15 367	7 606	7 665	9 100	8 780	8 780	8 826	9 310	9 822
Vote 2 - Finance		6 687	10 287	7 674	9 934	10 153	10 153	11 209	11 763	12 368
Vote 3 - Corporate Services		7 782	7 549	10 428	15 587	13 493	13 493	15 273	15 723	16 580
Vote 4 - Infrastructure Development		26 992	41 105	41 626	40 387	39 990	39 990	43 756	44 212	47 169
Vote 5 - Economic Development		1 071	843	908	1 263	1 150	1 150	795	839	885
Total Expenditure by Vote	2	57 899	67 390	68 302	76 271	73 567	73 567	79 859	81 847	86 824
Surplus/(Deficit) for the year	2	(4 973)	1 046	(3 538)	(10 992)	7 940	7 940	(13 600)	(1 328)	(4 728)

Explanatory notes to MBRR Table A3 - Budgeted Financial Performance (revenue and expenditure by municipal vote)

- Table A3 is a view of the budgeted financial performance in relation to the revenue and expenditure per municipal vote. This table facilitates the view of the budgeted operating performance in relation to the organisational structure of the municipality. This means it is possible to present the operating surplus or deficit of a vote. The following table is an analysis of the surplus or deficit for the electricity and water trading services.

Table 20 Surplus/(Deficit) calculations for the trading services

NC067 Khai-Ma - Table A3 Budgeted Financial Performance (revenue and expenditure by municipal vote)A										
Vote Description	Ref	2016/17	2017/18	2018/19	Current Year 2019/20			2020/21 Medium Term Revenue & Expenditure Framework		
R thousand		Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2020/21	Budget Year +1 2021/22	Budget Year +2 2022/23
Revenue by Vote	1									
4.1 - Electricity		7 362	8 629	9 962	11 932	15 764	15 764	10 884	12 919	16 938
Expenditure by Vote										
4.1 - Electricity		10 426	15 770	13 070	13 983	15 584	15 584	15 946	15 820	17 001
Surplus/(Deficit) for the year		(3 063)	(7 142)	(3 108)	(2 051)	180	180	(5 062)	(2 902)	(64)
Revenue by Vote										
4.7 - Water		10 961	22 020	17 668	17 862	20 905	20 905	18 368	29 138	24 696
Expenditure by Vote										
4.7 - Water		8 971	11 718	18 055	13 181	13 609	13 609	13 367	14 675	15 809
Surplus/(Deficit) for the year		1 990	10 302	(387)	4 681	7 296	7 296	5 001	14 463	8 887

- The deficit of the electricity services is primarily as a result of the high increases in Eskom bulk purchases and the tariff setting by the NERSA and a small distribution area.
- The surplus on the water account remains relatively constant over the MTREF translating into a surplus of R5 million in 2020/21 and decrease to R14,4 in 2021/22 and R8 million in 2022/23 of each of the respective financial years.

Table 21 MBRR Table A4 - Budgeted Financial Performance (revenue and expenditure)

NC067 Khai-Ma - Table A4 Budgeted Financial Performance (revenue and expenditure)

NC067 Khai-Ma - Table A4 Budgeted Financial Performance (revenue and expenditure)											
Description	Ref	2016/17	2017/18	2018/19	Current Year 2019/20				2020/21 Medium Term Revenue & Expenditure Framework		
		Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Pre-audit outcome	Budget Year 2020/21	Budget Year +1 2021/22	Budget Year +2 2022/23
R thousand	1										
Revenue By Source											
Property rates	2	4 078	5 053	5 311	8 236	8 465	8 465	8 465	9 079	9 496	9 933
Service charges - electricity revenue	2	7 250	7 532	8 345	9 329	14 224	14 224	14 224	10 239	10 710	11 203
Service charges - water revenue	2	6 831	6 403	5 903	6 432	13 459	13 459	13 459	7 736	8 092	8 464
Service charges - sanitation revenue	2	1 053	1 291	1 381	1 377	3 251	3 251	3 251	1 387	1 451	1 518
Service charges - refuse revenue	2	953	1 094	1 210	1 242	4 593	4 593	4 593	1 273	1 332	1 393
Rental of facilities and equipment		182	214	232	195	195	195	195	205	217	217
Interest earned - external investments		388	660	293	200	200	200	200	211	222	222
Interest earned - outstanding debtors		2 258	3 182	3 764	3 881	4 141	4 141	4 141	4 060	4 311	4 311
Dividends received		-	-	-	-	-	-	-	-	-	-
Fines, penalties and forfeits	31	55	68	82	82	82	82	82	86	91	91
Licences and permits	41	34	41	85	65	65	65	65	90	95	95
Agency services		236	243	174	-	-	-	-	-	-	-
Transfers and subsidies		20 059	20 083	22 125	24 110	27 582	27 582	27 582	25 118	26 003	27 485
Other revenue	2	2 980	4 659	3 053	31	31	31	31	32	33	35
Gains		-	-	-	-	-	-	-	-	-	-
Total Revenue (excluding capital transfers and contributions)		46 340	50 502	51 901	55 200	76 288	76 288	76 288	59 517	62 053	64 966
Expenditure By Type											
Employee related costs	2	19 300	21 109	21 565	32 274	26 988	26 988	26 988	31 299	32 865	34 803
Remuneration of councillors		2 214	2 662	2 594	3 110	2 876	2 876	2 876	2 811	2 976	3 150
Debt impairment	3	9 389	8 896	7 850	5 373	5 373	5 373	5 373	6 199	6 080	6 267
Depreciation & asset impairment	2	3 519	9 265	7 429	3 474	4 740	4 740	4 740	4 848	4 548	4 890
Finance charges		2 449	2 939	3 213	2 126	3 201	3 201	3 201	3 327	2 253	2 309
Bulk purchases	2	10 830	12 394	12 933	14 275	14 401	14 401	14 401	15 314	16 327	17 834
Other materials	8	-	1 744	1 562	3 840	3 980	3 980	3 980	4 098	4 286	4 483
Contracted services		3 030	2 287	3 303	3 574	4 074	4 074	4 074	3 728	3 899	4 079
Transfers and subsidies		-	-	-	-	-	-	-	-	-	-
Other expenditure	4, 5	7 013	6 089	7 779	8 226	7 935	7 935	7 935	8 234	8 613	9 009
Losses		156	6	76	-	-	-	-	-	-	-
Total Expenditure		57 899	67 390	68 302	76 271	73 567	73 567	73 567	79 859	81 847	86 824
Surplus/(Deficit)		(11 559)	(16 888)	(16 401)	(21 071)	2 721	2 721	2 721	(20 342)	(19 794)	(21 858)
Transfers and subsidies - capital (monetary allocations) (National / Provincial and District)		6 586	17 556	12 862	10 079	5 218	5 218	5 218	6 742	18 466	17 130
Transfers and subsidies - capital (monetary allocations) (National / Provincial Departmental Agencies, Households, Non-profit Institutions, Private Enterprises, Public Corporatons, Higher Educational Institutions)	6	-	-	-	-	-	-	-	-	-	-
Transfers and subsidies - capital (in-kind - all)		-	378	-	-	-	-	-	-	-	-
Surplus/(Deficit) after capital transfers & contributions		(4 973)	1 046	(3 538)	(10 992)	7 940	7 940	7 940	(13 600)	(1 328)	(4 728)
Tax ation		-	-	-	-	-	-	-	-	-	-
Surplus/(Deficit) after taxation		(4 973)	1 046	(3 538)	(10 992)	7 940	7 940	7 940	(13 600)	(1 328)	(4 728)
Attributable to minorities		-	-	-	-	-	-	-	-	-	-
Surplus/(Deficit) attributable to municipality		(4 973)	1 046	(3 538)	(10 992)	7 940	7 940	7 940	(13 600)	(1 328)	(4 728)
Share of surplus/ (deficit) of associate	7	-	-	-	-	-	-	-	-	-	-
Surplus/(Deficit) for the year		(4 973)	1 046	(3 538)	(10 992)	7 940	7 940	7 940	(13 600)	(1 328)	(4 728)

Explanatory notes to Table A4 - Budgeted Financial Performance (revenue and expenditure)

- Total revenue is R59,5 million in 2020/21 and increase to R62 million in 2021/22 and R64,9 in 2022/23 due to increase in government grant and services. The income of the municipality, excluding grants, is equal to salaries and wages, and councilor remuneration. The income that the municipality invoice physically and not cash receives covers only the expenditure of remuneration staff and councilors.

2. Revenue to be generated from property rates is R9 million in the 2020/21 financial year and increases to R9.4 million by 2021/22 and by 2022/23 R9,8 million.
3. Services charges relating to electricity, water, sanitation and refuse removal constitutes the biggest component of the revenue basket of the municipality. This growth can mainly be attributed to the increase in the bulk prices of electricity and water.
4. Transfers recognised – operating includes the local government equitable share and other operating grants from national and provincial government. It needs to be noted that in real terms the grants receipts from national government are increasing rapidly over the MTREF. The municipality is grant dependent and is it important to increase the equitable share every year.

Figure 2 Expenditure by major type

5. Bulk purchases have significantly increased over the past few years. These increases can be attributed to the substantial increase in the cost of bulk electricity from Eskom and water from Sedibeng.
6. Employee related costs and bulk purchases are the main cost drivers within the municipality and alternative operational gains and efficiencies will have to be identified to lessen the impact of wage and bulk tariff increases in future years.

Table 22 MBRR Table A5 - Budgeted Capital Expenditure by vote, standard classification and funding source

Vote Description	Ref	2016/17	2017/18	2018/19	Current Year 2019/20				2020/21 Medium Term Revenue & Expenditure Framework		
		Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Pre-audit outcome	Budget Year 2020/21	Budget Year +1 2021/22	Budget Year +2 2022/23
R thousand	1										
Capital expenditure - Vote											
Multi-year expenditure to be appropriated	2										
Vote 1 - Municipal Manager		-	-	-	-	-	-	-	-	-	-
Vote 2 - Finance		-	-	-	-	-	-	-	-	-	-
Vote 3 - Corporate Services		-	-	-	-	-	-	-	-	-	-
Vote 4 - Infrastructure Development		-	-	-	-	-	-	-	-	-	-
Vote 5 - Economic Development		-	-	-	-	-	-	-	-	-	-
Capital multi-year expenditure sub-total	7	-	-	-	-	-	-	-	-	-	-
Single-year expenditure to be appropriated	2										
Vote 1 - Municipal Manager		166	100	153	200	892	892	892	200	-	-
Vote 2 - Finance		-	-	-	-	-	-	-	-	-	-
Vote 3 - Corporate Services		119	-	-	-	-	-	-	-	-	-
Vote 4 - Infrastructure Development		6 777	22 177	13 516	10 079	5 164	5 164	5 164	6 742	18 466	17 130
Vote 5 - Economic Development		-	-	-	-	-	-	-	-	-	-
Capital single-year expenditure sub-total		7 062	22 277	13 669	10 279	6 056	6 056	6 056	6 942	18 466	17 130
Total Capital Expenditure - Vote		7 062	22 277	13 669	10 279	6 056	6 056	6 056	6 942	18 466	17 130
Capital Expenditure - Functional											
Governance and administration		166	94	153	200	892	892	892	200	-	-
Executive and council		166	94	153	200	892	892	892	200	-	-
Finance and administration		-	-	-	-	-	-	-	-	-	-
Internal audit		-	-	-	-	-	-	-	-	-	-
Community and public safety		279	2 959	2 536	-	458	458	458	-	-	-
Community and social services		119	-	-	-	-	-	-	-	-	-
Sport and recreation		160	2 959	2 536	-	458	458	458	-	-	-
Public safety		-	-	-	-	-	-	-	-	-	-
Housing		-	-	-	-	-	-	-	-	-	-
Health		-	-	-	-	-	-	-	-	-	-
Economic and environmental services		4 426	113	-	-	-	-	-	-	-	-
Planning and development		-	-	-	-	-	-	-	-	-	-
Road transport		4 426	113	-	-	-	-	-	-	-	-
Environmental protection		-	-	-	-	-	-	-	-	-	-
Trading services		2 191	19 110	10 980	10 079	4 706	4 706	4 706	6 742	18 466	17 130
Energy sources		-	199	1 483	1 920	840	840	840	-	1 500	5 000
Water management		1 184	12 077	7 089	7 459	3 867	3 867	3 867	6 742	16 966	12 130
Waste water management		-	-	2 408	700	-	-	-	-	-	-
Waste management		1 007	6 834	-	-	-	-	-	-	-	-
Other		-	-	-	-	-	-	-	-	-	-
Total Capital Expenditure - Functional	3	7 062	22 277	13 669	10 279	6 056	6 056	6 056	6 942	18 466	17 130
Funded by:											
National Government		5 753	15 124	12 862	10 079	4 706	4 706	4 706	6 742	18 466	17 130
Provincial Government		119	-	-	-	-	-	-	-	-	-
District Municipality		-	-	-	-	-	-	-	-	-	-
Transfers and subsidies - capital (monetary allocations) (National / Provincial)		-	-	-	-	-	-	-	-	-	-
Departmental Agencies, Households, Non-profit Institutions, Private Enterprises, Public Corporations, Higher Educational Institutions)		-	-	-	-	-	-	-	-	-	-
Transfers recognised - capital	4	5 872	15 124	12 862	10 079	4 706	4 706	4 706	6 742	18 466	17 130
Borrowing	6	-	-	-	-	-	-	-	-	-	-
Internally generated funds		1 190	7 153	807	200	1 349	1 349	1 349	200	-	-
Total Capital Funding	7	7 062	22 277	13 669	10 279	6 056	6 056	6 056	6 942	18 466	17 130

Explanatory notes to Table A5 - Budgeted Capital Expenditure by vote, standard classification and funding source

1. Table A5 is a breakdown of the capital programme in relation to capital expenditure by municipal vote (multi-year and single-year appropriations); capital expenditure by standard classification; and the funding sources necessary to fund the capital budget, including information on capital transfers from national and provincial departments.

Table 23 MBRR Table A6 - Budgeted Financial Position

NC067 Khai-Ma - Table A6 Budgeted Financial Position											
Description	Ref	2016/17	2017/18	2018/19	Current Year 2019/20				2020/21 Medium Term Revenue & Expenditure Framework		
		Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Pre-audit outcome	Budget Year 2020/21	Budget Year +1 2021/22	Budget Year +2 2022/23
R thousand											
ASSETS											
Current assets											
Cash		6 588	933	1 194	(2 862)	3 472	1 698	1 698	(185)	(368)	(358)
Call investment deposits	1	—	—	—	400	400	400	400	400	400	400
Consumer debtors	1	1 767	6 580	7 888	3 261	2 663	2 452	2 452	1 781	1 781	1 781
Other debtors		2 844	1 000	995	—	970	970	970	970	970	970
Current portion of long-term receivables		—	—	—	—	—	—	—	—	—	—
Inventory	2	509	1 340	2 203	207	2 200	2 200	2 200	1 450	1 450	1 450
Total current assets		11 708	9 853	12 280	1 005	9 705	7 720	7 720	4 415	4 232	4 242
Non current assets											
Long-term receivables		—	—	—	—	—	—	—	—	—	—
Investments		—	—	—	—	—	—	—	—	—	—
Investment property		5 965	5 519	4 187	4 963	4 180	4 180	4 180	4 180	4 180	4 180
Investment in Associate		—	—	—	—	—	—	—	—	—	—
Property, plant and equipment	3	90 821	111 201	117 529	141 386	120 704	121 404	121 404	123 516	137 450	149 706
Biological		—	—	—	—	—	—	—	—	—	—
Intangible		341	287	196	161	79	78	78	60	45	29
Other non-current assets		—	—	—	—	—	—	—	—	—	—
Total non current assets		97 127	117 007	121 911	146 510	124 962	125 662	125 662	127 756	141 674	153 915
TOTAL ASSETS		108 835	126 861	134 191	147 515	134 667	133 382	133 382	132 171	145 906	158 157
LIABILITIES											
Current liabilities											
Bank overdraft	1	—	—	—	14 556	—	—	—	—	—	—
Borrowing	4	121	—	—	—	—	—	—	—	—	—
Consumer deposits		126	157	179	145	175	179	179	189	205	215
Trade and other payables	4	31 118	32 856	42 459	14 597	31 435	28 898	28 898	39 314	52 504	67 479
Provisions		7 847	19 539	15 657	2 525	2 525	2 496	2 496	2 646	2 810	2 984
Total current liabilities		39 213	52 551	58 294	31 823	34 134	31 572	31 572	42 149	55 520	70 678
Non current liabilities											
Borrowing		29	29	—	11 500	—	—	—	—	—	—
Provisions		10 303	15 331	20 485	20 835	34 178	35 659	35 659	37 471	39 163	40 983
Total non current liabilities		10 331	15 360	20 485	32 335	34 178	35 659	35 659	37 471	39 163	40 983
TOTAL LIABILITIES		49 544	67 911	78 780	64 159	68 312	67 231	67 231	79 620	94 683	111 661
NET ASSETS	5	59 291	58 950	55 411	83 357	66 355	66 151	66 151	52 551	51 224	46 496
COMMUNITY WEALTH/EQUITY											
Accumulated Surplus/(Deficit)		30 913	30 775	27 424	55 392	38 352	38 352	38 352	24 939	23 799	19 259
Reserves	4	28 378	28 175	27 987	27 965	28 003	27 799	27 799	27 612	27 424	27 237
TOTAL COMMUNITY WEALTH/EQUITY	5	59 291	58 950	55 411	83 357	66 355	66 151	66 151	52 551	51 224	46 496

Explanatory notes to Table A6 - Budgeted Financial Position

1. Table A6 is consistent with international standards of good financial management practice, and improves understandability for councilors and management of the impact of the budget on the statement of financial position (balance sheet).
2. This format of presenting the statement of financial position is aligned to GRAP1, which is generally aligned to the international version which presents Assets less Liabilities as “accounting” Community Wealth. The order of items within each group illustrates items in order of liquidity; i.e. assets readily converted to cash, or liabilities immediately required to be met from cash, appear first.
3. Table 66 is supported by an extensive table of notes (SA3 which can be found on page 102) providing a detailed analysis of the major components of a number of items, including:
 - Call investments deposits;
 - Consumer debtors;
 - Property, plant and equipment;
 - Trade and other payables;
 - Provisions non current;
 - Changes in net assets; and

- Reserves
4. The municipal equivalent of equity is Community Wealth/Equity. The justification is that ownership and the net assets of the municipality belong to the community.
 5. Any movement on the Budgeted Financial Performance or the Capital Budget will inevitably impact on the Budgeted Financial Position. As an example, the collection rate assumption will impact on the cash position of the municipality and subsequently inform the level of cash and cash equivalents at year end. Similarly, the collection rate assumption should inform the budget appropriation for debt impairment which in turn would impact on the provision for bad debt. These budget and planning assumptions form a critical link in determining the applicability and relevance of the budget as well as the determination of ratios and financial indicators. In addition the funding compliance assessment is informed directly by forecasting the statement of financial position.

Table 24 MBRR Table A7 - Budgeted Cash Flow Statement

NC067 Khai-Ma - Table A7 Budgeted Cash Flows											
Description	Ref	2016/17	2017/18	2018/19	Current Year 2019/20				2020/21 Medium Term Revenue & Expenditure Framework		
		Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Pre-audit outcome	Budget Year 2020/21	Budget Year +1 2021/22	Budget Year +2 2022/23
R thousand											
CASH FLOW FROM OPERATING ACTIVITIES											
Receipts											
Property rates		4 726	3 886	5 538	6 589	6 653	6 653	6 653	7 263	7 597	7 947
Service charges		9 160	11 109	12 852	14 666	35 334	35 334	35 334	21 188	21 932	22 825
Other revenue		3 356	5 194	2 754	1 070	1 050	1 050	1 050	208	219	221
Transfers and Subsidies - Operational	1	19 465	17 879	18 874	24 110	27 977	27 977	27 977	25 118	26 003	27 485
Transfers and Subsidies - Capital	1	12 246	13 825	14 362	10 079	7 653	7 653	7 653	6 742	18 466	17 130
Interest		388	660	293	3 296	200	200	200	211	222	222
Dividends		-	-	-	-	-	-	-	-	-	-
Payments											
Suppliers and employees		(36 952)	(41 107)	(38 866)	(65 253)	(65 267)	(67 040)	(67 040)	(55 683)	(56 173)	(58 699)
Finance charges		(1 356)	(1 663)	(1 870)	(2 125)	(2 445)	(2 445)	(2 445)	-	-	-
Transfers and Grants	1	-	-	-	-	-	-	-	-	-	-
NET CASH FROM/(USED) OPERATING ACTIVITIES		11 034	9 784	13 937	(7 569)	11 155	9 381	9 381	5 048	18 267	17 130
CASH FLOWS FROM INVESTING ACTIVITIES											
Receipts											
Proceeds on disposal of PPE		-	-	-	-	-	-	-	-	-	-
Decrease (increase) in non-current receivables		-	-	-	-	-	-	-	-	-	-
Decrease (increase) in non-current investments		-	-	-	-	-	-	-	-	-	-
Payments											
Capital assets		(5 978)	(15 443)	(13 669)	(10 279)	(8 491)	(8 491)	(8 491)	(6 942)	(18 466)	(17 130)
NET CASH FROM/(USED) INVESTING ACTIVITIES		(5 978)	(15 443)	(13 669)	(10 279)	(8 491)	(8 491)	(8 491)	(6 942)	(18 466)	(17 130)
CASH FLOWS FROM FINANCING ACTIVITIES											
Receipts											
Short term loans		-	-	-	-	-	-	-	-	-	-
Borrowing long term/refinancing		-	-	-	-	-	-	-	-	-	-
Increase (decrease) in consumer deposits		24	30	22	13	13	13	13	11	16	10
Payments											
Repayment of borrowing		(23)	(26)	(29)	-	-	-	-	-	-	-
NET CASH FROM/(USED) FINANCING ACTIVITIES		1	5	(7)	13	13	13	13	11	16	10
NET INCREASE/ (DECREASE) IN CASH HELD		5 057	(5 655)	261	(17 835)	2 677	903	903	(1 883)	(183)	10
Cash/cash equivalents at the year begin:	2	1 531	6 588	933	817	1 194	1 194	1 194	2 098	215	32
Cash/cash equivalents at the year end:	2	6 588	933	1 194	(17 018)	3 872	2 098	2 098	215	32	42

¹Table 25 MBRR Table A8 - Cash Backed Reserves/Accumulated Surplus Reconciliation

NC067 Khai-Ma - Table A8 Cash backed reserves/accumulated surplus reconciliation											
Description	Ref	2016/17	2017/18	2018/19	Current Year 2019/20				2020/21 Medium Term Revenue & Expenditure Framework		
		Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Pre-audit outcome	Budget Year 2020/21	Budget Year +1 2021/22	Budget Year +2 2022/23
Cash and investments available											
Cash/cash equivalents at the year end	1	6 588	933	1 194	(17 018)	3 872	2 098	2 098	215	32	42
Other current investments > 90 days		–	–	–	–	(0)	(0)	(0)	0	0	0
Non current assets - Investments	1	–	–	–	–	–	–	–	–	–	–
Cash and investments available:		6 588	933	1 194	(17 018)	3 872	2 098	2 098	215	32	42
Application of cash and investments											
Unspent conditional transfers		–	3 216	1 465	–	–	–	–	–	–	–
Unspent borrowing		–	–	–	–	–	–	–	–	–	–
Statutory requirements	2	–	–	–	–	–	–	–	–	–	–
Other working capital requirements	3	28 047	24 497	34 623	12 240	33 672	31 322	31 322	215	32	42
Other provisions		–	–	–	–	–	–	–	–	–	–
Long term investments committed	4	–	–	–	–	–	–	–	–	–	–
Reserves to be backed by cash/investments	5	16	–	–	16	16	–	–	–	–	–
Total Application of cash and investments:		28 063	27 713	36 088	12 257	33 688	31 322	31 322	215	32	42
Surplus(shortfall)		(21 475)	(26 779)	(34 894)	(29 275)	(29 816)	(29 224)	(29 224)	–	–	(0)

Explanatory notes to Table A8 - Cash Backed Reserves/Accumulated Surplus Reconciliation

1. The cash backed reserves/accumulated surplus reconciliation is not aligned to the requirements of MFMA Circular 42 – Funding a Municipal Budget. The budget can only be cash backed if the deficits on A8 are included in a “payment plan”. Creditors for 2020/21 are R44,773,718 of which R42 252,723 will be repaid over a period of more than 12 months. This means that creditors can no longer be paid within 30 days as stipulated by the MFMA, but over 12 months (365 days).
2. In essence the table evaluates the funding levels of the budget by firstly forecasting the cash and investments at year end and secondly reconciling the available funding to the liabilities/commitments that exist.
3. The outcome of this exercise would either be a surplus or deficit. A deficit would indicate that the applications exceed the cash and investments available and would be indicative of non-compliance with the MFMA requirements that the municipality’s budget must be “funded”.
4. Non-compliance with section 18 of the MFMA is assumed because a shortfall would indirectly indicate that the annual budget is not appropriately funded.

Explanatory notes to Table A7 - Budgeted Cash Flow Statement

NC067 Khai-Ma - Table A7 Budgeted Cash Flows											
Description	Ref	2016/17	2017/18	2018/19	Current Year 2019/20				2020/21 Medium Term Revenue & Expenditure Framework		
		Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Pre-audit outcome	Budget Year 2020/21	Budget Year +1 2021/22	Budget Year +2 2022/23
R thousand											
CASH FLOW FROM OPERATING ACTIVITIES											
Receipts											
Property rates		4 726	3 886	5 538	6 589	6 653	6 653	6 653	7 263	7 597	7 947
Service charges		9 160	11 109	12 852	14 666	35 334	35 334	35 334	21 188	21 932	22 825
Other revenue		3 356	5 194	2 754	1 070	1 050	1 050	1 050	208	219	221
Transfers and Subsidies - Operational	1	19 465	17 879	18 874	24 110	27 977	27 977	27 977	25 118	26 003	27 485
Transfers and Subsidies - Capital	1	12 246	13 825	14 362	10 079	7 653	7 653	7 653	6 742	18 466	17 130
Interest		388	660	293	3 296	200	200	200	211	222	222
Dividends		-	-	-	-	-	-	-	-	-	-
Payments											
Suppliers and employees		(36 952)	(41 107)	(38 866)	(65 253)	(65 267)	(67 040)	(67 040)	(55 683)	(56 173)	(58 699)
Finance charges		(1 356)	(1 663)	(1 870)	(2 125)	(2 445)	(2 445)	(2 445)	-	-	-
Transfers and Grants	1	-	-	-	-	-	-	-	-	-	-
NET CASH FROM/(USED) OPERATING ACTIVITIES		11 034	9 784	13 937	(7 569)	11 155	9 381	9 381	5 048	18 267	17 130
CASH FLOWS FROM INVESTING ACTIVITIES											
Receipts											
Proceeds on disposal of PPE		-	-	-	-	-	-	-	-	-	-
Decrease (increase) in non-current receivables		-	-	-	-	-	-	-	-	-	-
Decrease (increase) in non-current investments		-	-	-	-	-	-	-	-	-	-
Payments											
Capital assets		(5 978)	(15 443)	(13 669)	(10 279)	(8 491)	(8 491)	(8 491)	(6 942)	(18 466)	(17 130)
NET CASH FROM/(USED) INVESTING ACTIVITIES		(5 978)	(15 443)	(13 669)	(10 279)	(8 491)	(8 491)	(8 491)	(6 942)	(18 466)	(17 130)
CASH FLOWS FROM FINANCING ACTIVITIES											
Receipts											
Short term loans		-	-	-	-	-	-	-	-	-	-
Borrowing long term/refinancing		-	-	-	-	-	-	-	-	-	-
Increase (decrease) in consumer deposits		24	30	22	13	13	13	13	11	16	10
Payments											
Repayment of borrowing		(23)	(26)	(29)	-	-	-	-	-	-	-
NET CASH FROM/(USED) FINANCING ACTIVITIES		1	5	(7)	13	13	13	13	11	16	10
NET INCREASE/ (DECREASE) IN CASH HELD		5 057	(5 655)	261	(17 835)	2 677	903	903	(1 883)	(183)	10
Cash/cash equivalents at the year begin:	2	1 531	6 588	933	817	1 194	1 194	1 194	2 098	215	32
Cash/cash equivalents at the year end:	2	6 588	933	1 194	(17 018)	3 872	2 098	2 098	215	32	42

1. The budgeted cash flow statement is the first measurement in determining if the budget is funded.
2. It shows the expected level of cash in-flow versus cash out-flow that is likely to result from the implementation of the budget.

Table 26 MBRR Table A9 - Asset Management

NC067 Khai-Ma - Table A9 Asset Management										
Description	Ref	2016/17	2017/18	2018/19	Current Year 2019/20			2020/21 medium term Revenue & Expenditure Framework		
R thousand		Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2020/21	Budget Year +1 2021/22	Budget Year +2 2022/23
CAPITAL EXPENDITURE										
Total New Assets	1	6 902	19 317	13 669	10 279	6 056	6 056	6 942	18 466	17 130
Roads Infrastructure		4 426	–	–	–	–	–	–	–	–
Storm water Infrastructure		–	–	–	–	–	–	–	–	–
Electrical Infrastructure		–	199	1 483	1 920	840	840	–	1 500	5 000
Water Supply Infrastructure		1 184	12 077	7 143	7 459	3 867	3 867	6 742	16 966	12 130
Sanitation Infrastructure		–	–	2 408	700	–	–	–	–	–
Solid Waste Infrastructure		1 007	6 834	–	–	–	–	–	–	–
Rail Infrastructure		–	–	–	–	–	–	–	–	–
Coastal Infrastructure		–	–	–	–	–	–	–	–	–
Information and Communication Infrastructure		–	–	–	–	–	–	–	–	–
Infrastructure		6 617	19 110	11 034	10 079	4 706	4 706	6 742	18 466	17 130
Community Facilities		–	–	–	–	–	–	–	–	–
Sport and Recreation Facilities		–	–	2 536	–	458	458	–	–	–
Community Assets		–	–	2 536	–	458	458	–	–	–
Licences and Rights		10	26	23	–	–	–	–	–	–
Intangible Assets		10	26	23	–	–	–	–	–	–
Computer Equipment		116	68	63	200	200	200	200	–	–
Furniture and Office Equipment		123	–	8	–	–	–	–	–	–
Machinery and Equipment		8	113	5	–	–	–	–	–	–
Transport Assets		28	–	–	–	692	692	–	–	–
Land		–	–	–	–	–	–	–	–	–
Zoo's, Marine and Non-biological Animals		–	–	–	–	–	–	–	–	–
Total Renewal of Existing Assets	2	160	2 959	–	–	–	–	–	–	–
Roads Infrastructure		–	–	–	–	–	–	–	–	–
Sport and Recreation Facilities		160	2 959	–	–	–	–	–	–	–
Community Assets		160	2 959	–	–	–	–	–	–	–

Explanatory notes to Table A9 - Asset Management

1. Table A9 provides an overview of municipal capital allocations to building new assets an the renewal of existing assets, as well as spending on repairs and maintenance by asset class.

Table 27 MBRR Table A10 - Basic Service Delivery Measurement

NC067 Khai-Ma - Table A10 Basic service delivery measurement										
Description	Ref	2016/17	2017/18	2018/19	Current Year 2019/20			2020/21 Medium Term Revenue & Expenditure Framework		
		Outcome	Outcome	Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2020/21	Budget Year +1 2021/22	Budget Year +2 2022/23
Household service targets	1									
Water:										
Piped water inside dwelling		1 332	1 502	1 502	1 502	1 502	1 502	1 728	1 745	1 762
Piped water inside yard (but not in dwelling)		1 520	1 550	1 550	1 550	1 550	1 550	1 764	1 782	1 799
Using public tap (at least min.service level)	2	-	-	-	-	-	-	-	-	-
Other water supply (at least min.service level)	4	-	-	-	-	-	-	-	-	-
Minimum Service Level and Above sub-total		2 852	3 052	3 052	3 052	3 052	3 052	3 492	3 527	3 561
Using public tap (< min.service level)	3	-	-	-	-	-	-	-	-	-
Other water supply (< min.service level)	4	-	-	-	-	-	-	-	-	-
No water supply		-	-	-	-	-	-	-	-	-
Below Minimum Service Level sub-total		-	-	-	-	-	-	-	-	-
Total number of households	5	2 852	3 052	3 052	3 052	3 052	3 052	3 492	3 527	3 561
Sanitation/sewerage:										
Flush toilet (connected to sewerage)		190	215	215	215	215	215	294	297	299
Flush toilet (with septic tank)		1 456	1 525	1 525	1 525	1 525	1 525	2 619	2 645	2 672
Chemical toilet		-	-	-	-	-	-	-	-	-
Pit toilet (ventilated)		450	450	450	450	450	450	423	418	413
Other toilet provisions (> min.service level)		-	-	-	-	-	-	-	-	-
Minimum Service Level and Above sub-total		2 096	2 190	2 190	2 190	2 190	2 190	3 336	3 360	3 384
Bucket toilet		-	-	-	-	-	-	-	-	-
Other toilet provisions (< min.service level)		-	-	-	-	-	-	-	-	-
No toilet provisions		-	-	-	-	-	-	-	-	-
Below Minimum Service Level sub-total		-	-	-	-	-	-	-	-	-
Total number of households	5	2 096	2 190	2 190	2 190	2 190	2 190	3 336	3 360	3 384
Energy:										
Electricity (at least min.service level)		2 096	2 190	2 190	2 190	2 190	2 190	2 234	2 279	2 324
Electricity - prepaid (min.service level)		-	-	-	-	-	-	-	-	-
Minimum Service Level and Above sub-total		2 096	2 190	2 190	2 190	2 190	2 190	2 234	2 279	2 324
Electricity (< min.service level)		-	-	-	-	-	-	-	-	-
Electricity - prepaid (< min. service level)		-	-	-	-	-	-	-	-	-
Other energy sources		-	-	-	-	-	-	-	-	-
Below Minimum Service Level sub-total		-	-	-	-	-	-	-	-	-
Total number of households	5	2 096	2 190	2 190	2 190	2 190	2 190	2 234	2 279	2 324
Refuse:										
Removed at least once a week		2 096	2 190	2 190	2 190	2 190	2 190	2 868	2 896	2 926
Minimum Service Level and Above sub-total		2 096	2 190	2 190	2 190	2 190	2 190	2 868	2 896	2 926
Removed less frequently than once a week		-	-	-	-	-	-	-	-	-
Using communal refuse dump		-	-	-	-	-	-	-	-	-
Using own refuse dump		-	-	-	-	-	-	-	-	-
Other rubbish disposal		-	-	-	-	-	-	-	-	-
No rubbish disposal		-	-	-	-	-	-	-	-	-
Below Minimum Service Level sub-total		-	-	-	-	-	-	-	-	-
Total number of households	5	2 096	2 190	2 190	2 190	2 190	2 190	2 868	2 896	2 926
Households receiving Free Basic Service	7									
Water (6 kilolitres per household per month)		-	-	-	-	-	-	-	-	-
Sanitation (free minimum level service)		-	-	-	-	-	-	-	-	-
Electricity/other energy (50kwh per household per month)		-	-	-	-	-	-	-	-	-
Refuse (removed at least once a week)		-	-	-	-	-	-	-	-	-
Cost of Free Basic Services provided - Formal Settlements (R'000)	8									
Water (6 kilolitres per indigent household per month)		-	-	-	8 183	8 183	8 183	14 864	15 548	16 263
Sanitation (free sanitation service to indigent households)		-	-	-	2 163	2 163	2 163	4 753	4 972	5 200
Electricity/other energy (50kwh per indigent household per month)		-	-	-	7 461	7 461	7 461	7 804	8 163	8 539
Refuse (removed once a week for indigent households)		-	-	-	3 446	3 446	3 446	6 599	6 902	7 220
Cost of Free Basic Services provided - Informal Formal Settlements (R'000)										
Total cost of FBS provided		-	-	-	21 253	21 253	21 253	34 020	35 585	37 222

Explanatory notes to Table A10 - Basic Service Delivery Measurement

1. Table A10 provides an overview of service delivery levels, including backlogs (below minimum service level), for each of the main services.
2. The municipality continues to make good progress with the eradication of backlogs.

Part 2 – Supporting Documentation

1.8 Overview of the annual budget process

Section 53 of the MFMA requires the Mayor of the municipality to provide general political guidance in the budget process and the setting of priorities that must guide the preparation of the budget. In addition Chapter 2 of the Municipal Budget and Reporting Regulations states that the Mayor of the municipality must establish a Budget Steering Committee to provide technical assistance to the Mayor in discharging the responsibilities set out in section 53 of the Act.

The primary aims of the Budget Steering Committee is to ensure:

- that the process followed to compile the budget complies with legislation and good budget practices;
- that there is proper alignment between the policy and service delivery priorities set out in the municipality IDP and the budget, taking into account the need to protect the financial sustainability of municipality;
- that the municipality's revenue and tariff setting strategies ensure that the cash resources needed to deliver services are available; and
- that the various spending priorities of the different municipal departments are properly evaluated and prioritised in the allocation of resources.

1.8.1 Budget Process Overview

In terms of section 21 of the MFMA the Mayor is required to table in Council ten months before the start of the new financial year (i.e. in August) a time schedule that sets out the process to revise the IDP and prepare the budget.

1.8.2 IDP and Service Delivery and Budget Implementation Plan

The municipalities IDP is its principal strategic planning instrument, which directly guides and informs its planning, budget, management and development actions. This framework is rolled out into objectives, key performance indicators and targets for implementation which directly inform the Service Delivery and Budget Implementation Plan. The Process Plan applicable to the fourth revision cycle included the following key IDP processes and deliverables:

- Registration of community needs;
- Compilation of departmental business plans including key performance indicators and targets;
- Financial planning and budgeting process;
- Public participation process;
- Compilation of the SDBIP, and
- The review of the performance management and monitoring processes.

1.8.3 Financial Modelling and Key Planning Drivers

As part of the compilation of the 2020/21 MTREF, extensive financial modelling was undertaken to ensure affordability and long-term financial sustainability. The following key factors and planning strategies have informed the compilation of the 2020/21 MTREF:

- Policy priorities and strategic objectives
- Asset maintenance
- Economic climate and trends (i.e inflation, Eskom increases, household debt, migration patterns)
- Performance trends
- Cash Flow Management Strategy
- Debtor payment levels
- The need for tariff increases versus the ability of the community to pay for services;
- Improved and sustainable service delivery

In addition to the above, the strategic guidance given in National Treasury's MFMA Circulars 51,54 and 67 has been taken into consideration in the planning and prioritisation process.

1.8.4 Community Consultation

All documents in the appropriate format (electronic and printed) were provided to National Treasury, and other national and provincial departments in accordance with section 23 of the MFMA, to provide an opportunity for them to make inputs.

- The affordability of tariff increases, especially electricity, was raised on numerous occasions. This concern was also raised by organized business as an obstacle to economic growth;
- Pensioners cannot afford the tariff increases due to low annual pension increases; and
- During the community consultation process large sections of the community made it clear that they are not in favour of any further tariff increases to fund additional budget requests. They indicated that the municipality must do more to ensure efficiencies and value for money.

1.9 Overview of alignment of annual budget with IDP

The Constitution mandates local government with the responsibility to exercise local developmental and cooperative governance. The eradication of imbalances in South African society can only be realized through a credible integrated developmental planning process.

A municipal IDP provides a five year strategic programme of action aimed at setting short, medium and long term strategic and budget priorities to create a development platform, which correlates with the term of office of the political incumbents. The plan aligns the resources and the capacity of a municipality to its overall development aims and guides the municipal budget. An IDP is therefore a key instrument which municipalities use to provide vision, leadership and direction to all those that have a role to play in the development of a municipal area. The IDP enables municipalities to make the best use of scarce resources and speed up service delivery.

The national and provincial priorities, policies and strategies of importance include amongst others:

- Green Paper on National Strategic Planning of 2009;
- Government Programme of Action;
- Development Facilitation Act of 1995;
- Provincial Growth and Development Strategy (GGDS);
- National and Provincial spatial development perspectives;
- Relevant sector plans such as transportation, legislation and policy;
- National Key Performance Indicators (NKPIs);
- Accelerated and Shared Growth Initiative (ASGISA);
- National 2014 Vision;
- National Spatial Development Perspective (NSDP) and
- The National Priority Outcomes.

Table 11 IDP Strategic Objectives

2020/21 Financial Year	2021/20 MTREF
1. The provision of quality basic services and infrastructure	1. Provision of quality basic services and infrastructure
2. Acceleration of higher and shared economic growth and development	2. Economic growth and development that leads to sustainable job creation
3. Fighting of poverty, building clean, healthy, safe and sustainable communities	3.1 Fight poverty and build clean, healthy, safe and sustainable communities
	3.2 Integrated Social Services for empowered and sustainable communities
4. Fostering participatory democracy and adherence to Batho Pele principles through a caring, accessible and accountable service	4. Foster participatory democracy and Batho Pele principles through a caring, accessible and accountable service
5. Good governance, Financial viability and institutional governance	5.1 Promote sound governance
	5.2 Ensure financial sustainability
	5.3 Optimal institutional transformation to ensure capacity to achieve set objectives

The key performance areas can be summarised as follows against the five strategic objectives:

1. Provision of quality basic services and infrastructure which includes, amongst others:
 - Provide electricity;
 - Provide water;
 - Provide sanitation;
 - Provide waste removal;
 - Provide roads and storm water;
 - Maintaining the infrastructure of the municipality.

- 3.2 Integrated Social Services for empowered and sustainable communities
 - Work with provincial departments to ensure the development of community infrastructure such as schools and clinics is properly co-ordinated with the informal settlements upgrade programme.

4. Foster participatory democracy and Batho Pele principles through a caring, accessible and accountable service by:
 - Optimising effective community participation in the ward committee system; and
 - Implementing the municipality in the revenue management strategy.
- 5.1 Promote sound governance through:
 - Publishing the outcomes of all tender processes on the municipal website, National Treasuries Tender Portal.
- 5.2 Ensure financial sustainability through:
 - Reviewing the use of contracted services
 - Continuing to implement the infrastructure renewal strategy and the repairs and maintenance plan
- 5.3 Optimal institutional transformation to ensure capacity to achieve set objectives
 - Review of the organizational structure to optimize the use of personnel;

The 2018/19 MTREF has therefore been directly informed by the IDP revision process and the following tables provide a reconciliation between the IDP strategic objectives and operating revenue, operating expenditure and capital expenditure.

Table 29 MBRR Table SA4 - Reconciliation between the IDP strategic objectives and budgeted revenue

NC067 Khai-Ma - Supporting Table SA4 Reconciliation of IDP strategic objectives and budget (revenue)													
Strategic Objective	Goal	Goal Code	Ref	2016/17	2017/18	2018/19	Current Year 2019/20			2020/21 Medium Term Revenue & Expenditure Framework			
				Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2020/21	Budget Year +1 2021/22	Budget Year +2 2022/23	
R thousand													
Sustaining the Natural and Built Environment	Climate protection and pollution minimisation	A		1 266	1 491	1 240	1 064	4 504	4 504	1 120	1 172	1 212	
	Develop, manage and regulate the built and natural environment	B		–	–	–	–	–	–	–	–	–	
Quality Living Environment	Meet service needs and address backlogs	C		30 918	37 003	30 907	31 318	39 715	39 715	30 404	42 219	41 779	
Safe, Healthy and Secure Environment	Promoting the safety of citizens	D		–	–	–	–	–	–	–	–	–	
	Promoting the health of citizens	F		12	12	611	545	554	554	(161)	(168)	(176)	
Embracing our Cultural Diversity	Promote sport and recreation within the town	G		3 464	6 534	3 555	2 186	2 502	2 502	2 138	2 237	2 339	
Good Governance	Ensure accessibility and promote governance.	H		7 033	2 530	1 654	1 581	2 352	2 352	1 581	1 646	1 704	
	Create an efficient, effective and accountable administration	I		219	15 420	16 179	17 544	17 544	17 544	18 909	20 406	21 793	
Financial Viability and Sustainability	Strategic and sustainable budgeting, Grow and diversify our revenues and Value for money expenditure	J		10 014	5 447	10 618	11 041	14 336	14 336	12 269	13 007	13 444	
Allocations to other priorities				2									
Total Revenue (excluding capital transfers and contributions)				1	52 926	68 437	64 763	65 279	81 506	81 506	66 259	80 519	82 096

Table 30 MBRR Table SA5 - Reconciliation between the IDP strategic objectives and budgeted operating expenditure

NC067 Khai-Ma - Supporting Table SA5 Reconciliation of IDP strategic objectives and budget (operating expenditure)													
Strategic Objective	Goal	Goal Code	Ref	2016/17	2017/18	2018/19	Current Year 2019/20			2020/21 Medium Term Revenue & Expenditure Framework			
				Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2020/21	Budget Year +1 2021/22	Budget Year +2 2022/23	
R thousand													
Sustaining the Natural and Built Environment	Climate protection and pollution minimisation	A	1	3 423	3 649	7 048	5 411	4 544	4 544	6 599	6 179	6 444	
	Develop, manage and regulate the built and natural environment	B		830	1 161	908	1 263	1 150	1 150	795	839	885	
Quality Living Environment	Meet service needs and address backlogs	C		29 200	35 068	35 266	34 974	35 796	35 796	37 616	38 533	41 269	
Safe, Healthy and Secure Environment	Promoting the safety of citizens	D		252	252	9	279	279	279	148	155	162	
	Promoting the health of citizens	F		289	367	113	286	263	263	270	285	301	
Embracing our Cultural Diversity	Promote sport and recreation within the town	G		597	620	2 028	2 838	2 845	2 845	3 191	3 211	3 314	
Good Governance	Ensure accessibility and promote governance.	H		6 345	6 891	5 850	8 837	8 574	8 574	8 763	9 173	9 647	
	Create an efficient, effective and accountable administration	I		9 481	12 214	10 218	14 872	12 733	12 733	14 551	15 123	16 005	
Financial Viability and Sustainability	Strategic and sustainable budgeting, Grow and diversify our revenues and Value for money expenditure	J		7 484	7 170	6 860	7 512	7 383	7 383	7 926	8 350	8 797	
Allocations to other priorities													
Total Expenditure				1	57 899	67 390	68 302	76 271	73 567	73 567	79 859	81 847	86 824

Table 31 MBRR Table SA7 - Reconciliation between the IDP strategic objectives and budgeted capital expenditure

NC067 Khai-Ma - Supporting Table SA36 Detailed capital budget																	
R thousand															2020/21 Medium Term Revenue & Expenditure Framework		
Function	Project Description	Project Number	Type	MTSF Service Outcome	IUDF	Own Strategic Objectives	Asset Class	Asset Sub-Class	Ward Location	GPS Longitude	GPS Latitude	Audited Outcome 2018/19	Current Year 2019/20 Full Year Forecast	Budget Year 2020/21	Budget Year +1 2021/22	Budget Year +2 2022/23	
Parent municipality: List all capital projects grouped by Function																	
Mayor and Council	Non-infrastructure>New>Computer Equipment	PC002003040000000000000000000000_0062	New	09-Responsive, accountable, effective and efficient local government	04-Governance	Good Governance	Computer Equipment	Computer Equipment	Administrative or Head Office	-	-	99	200	200	-	-	
Mayor and Council	Non-infrastructure - New - Transport Assets	PC002003010000000000000000000000_0063	New	09-Responsive, accountable, effective and efficient local government	04-Governance	Good Governance	Transport Assets	Transport Assets	Administrative or Head Office	-	-	-	692	-	-	-	
Recreational Facilities	Assets>Sport and Recreation Facilities>Outdoor Facilities	PC002003002002002000000000000000_0063	New	09-Responsive, accountable, effective and efficient local government	04-Governance	Embracing our Cultural Diversity	Sport and Recreation Facilities	Outdoor Facilities	Ward 1	-	-	845	153	-	-	-	
Recreational Facilities	Non-infrastructure>New>Community Assets>Sport and Recreation Facilities>Outdoor Facilities	PC002003002002002000000000000000_0064	New	09-Responsive, accountable, effective and efficient local government	04-Governance	Embracing our Cultural Diversity	Sport and Recreation Facilities	Outdoor Facilities	Ward 2	-	-	845	153	-	-	-	
Recreational Facilities	Non-infrastructure>New>Community Assets>Sport and Recreation Facilities>Outdoor Facilities	PC002003002002002000000000000000_0065	New	09-Responsive, accountable, effective and efficient local government	04-Governance	Embracing our Cultural Diversity	Sport and Recreation Facilities	Outdoor Facilities	Ward 3	-	-	845	153	-	-	-	
Sewerage	Infrastructure>Existing>Upgrading>Sanitation Infrastructure>Pump Station	PC001001002005001000000000000000_0072	Upgrading	09-Responsive, accountable, effective and efficient local government	04-Governance	Quality Living Environment	Sanitation Infrastructure	Pump Station	Ward 4	-	-	2 408	-	-	-	-	
Water Distribution	Infrastructure>Existing>Upgrading>Water Supply Infrastructure>Bulk Mains	PC001001002004006000000000000000_0067	Upgrading	09-Responsive, accountable, effective and efficient local government	04-Governance	Quality Living Environment	Water Supply Infrastructure	Bulk Mains	Ward 4	-	-	-	-	-	-	-	
Water Distribution	Infrastructure>Existing>Upgrading>Water Supply Infrastructure>Reservoirs	PC001001002004003000000000000000_0073	Upgrading	09-Responsive, accountable, effective and efficient local government	04-Governance	Quality Living Environment	Water Supply Infrastructure	Reservoirs	Ward 4	-	-	7 143	3 867	6 742	6 966	7 130	
Water Distribution	Infrastructure>Existing>Upgrading>Water Supply Infrastructure>Pump Station	PC001001002004004000000000000000_0074	Upgrading	09-Responsive, accountable, effective and efficient local government	04-Governance	Quality Living Environment	Water Supply Infrastructure	Pump Station	Ward 3	-	-	-	-	-	10 000	5 000	
Water Distribution	Infrastructure>Existing>Upgrading>Water Supply Infrastructure>Bulk Mains	PC001001002004006000000000000000_0067	New	09-Responsive, accountable, effective and efficient local government	04-Governance	Quality Living Environment	Water Supply Infrastructure	Bulk Mains	Whole of the Municipality	-	-	-	-	-	-	-	
Electricity	Infrastructure>New>Electrical Infrastructure>LV Networks	PC001002001008000000000000000000_0069	New	09-Responsive, accountable, effective and efficient local government	04-Governance	Quality Living Environment	Electrical Infrastructure	LV Networks	Ward 1	-	-	1 483	840	-	1 500	5 000	
Electricity	Infrastructure>New>Electrical Infrastructure>LV Networks	PC001002001008000000000000000000_0069	New	09-Responsive, accountable, effective and efficient local government	04-Governance	Quality Living Environment	Electrical Infrastructure	LV Networks	Ward 4	-	-	-	-	-	-	-	
Roads	Infrastructure>Existing>Upgrading>Roads Infrastructure>Roads	PC001001002006001000000000000000_0066	Upgrading	09-Responsive, accountable, effective and efficient local government	04-Governance	Quality Living Environment	Roads Infrastructure	Roads	Ward 4	-	-	-	-	-	-	-	
Parent Capital expenditure													13 669	6 056	6 942	18 466	17 130

1.10 Measurable performance objectives and indicators

Performance Management is a system intended to manage and monitor service delivery progress against the identified strategic objectives and priorities. In accordance with legislative requirements and good business practices as informed by the National Framework for Managing Programme Performance Information, the municipality has developed and must implement a performance management system of which system is constantly refined as the integrated planning process unfolds. The Municipality targets, monitors, assesses and reviews organisational performance which in turn is directly linked to individual employee's performance.

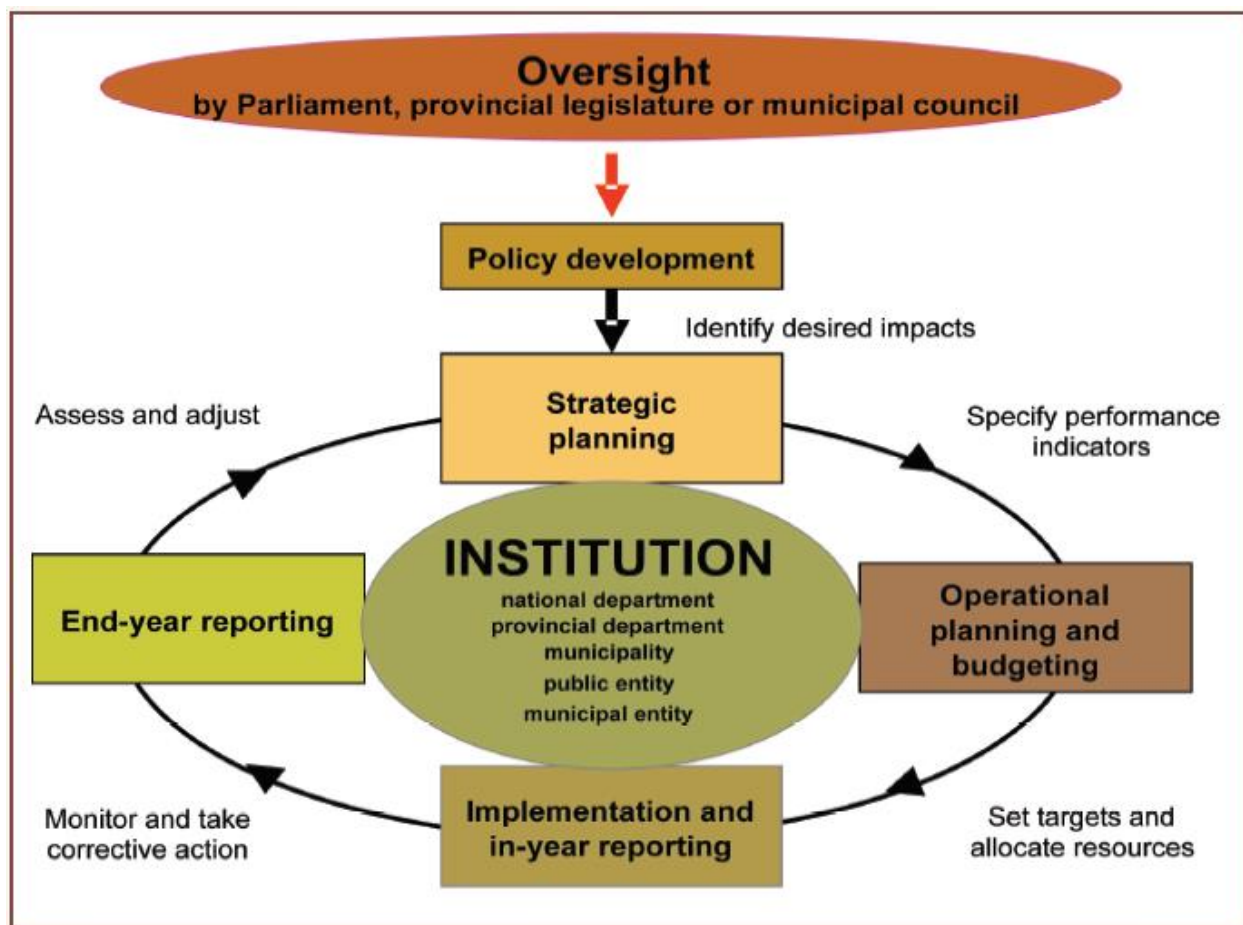


Figure 3 Planning, budgeting and reporting cycle

The performance of the municipality relates directly to the extent to which it has achieved success in realising its goals and objectives, complied with legislative requirements and meeting stakeholder expectations. The municipality therefore has adopted one integrated performance management system which encompasses:

- Planning (setting goals, objectives, targets and benchmarks);
- Monitoring (regular monitoring and checking on the progress against plan);
- Measurement (indicators of success);
- Review (identifying areas requiring change and improvement);
- Reporting (what information, to whom, from whom, how often and for what purpose); and
- Improvement (making changes where necessary).

The performance information concepts used by the municipality in its integrated performance management system are aligned to the **Framework of Managing Programme Performance Information** issued by the National Treasury:

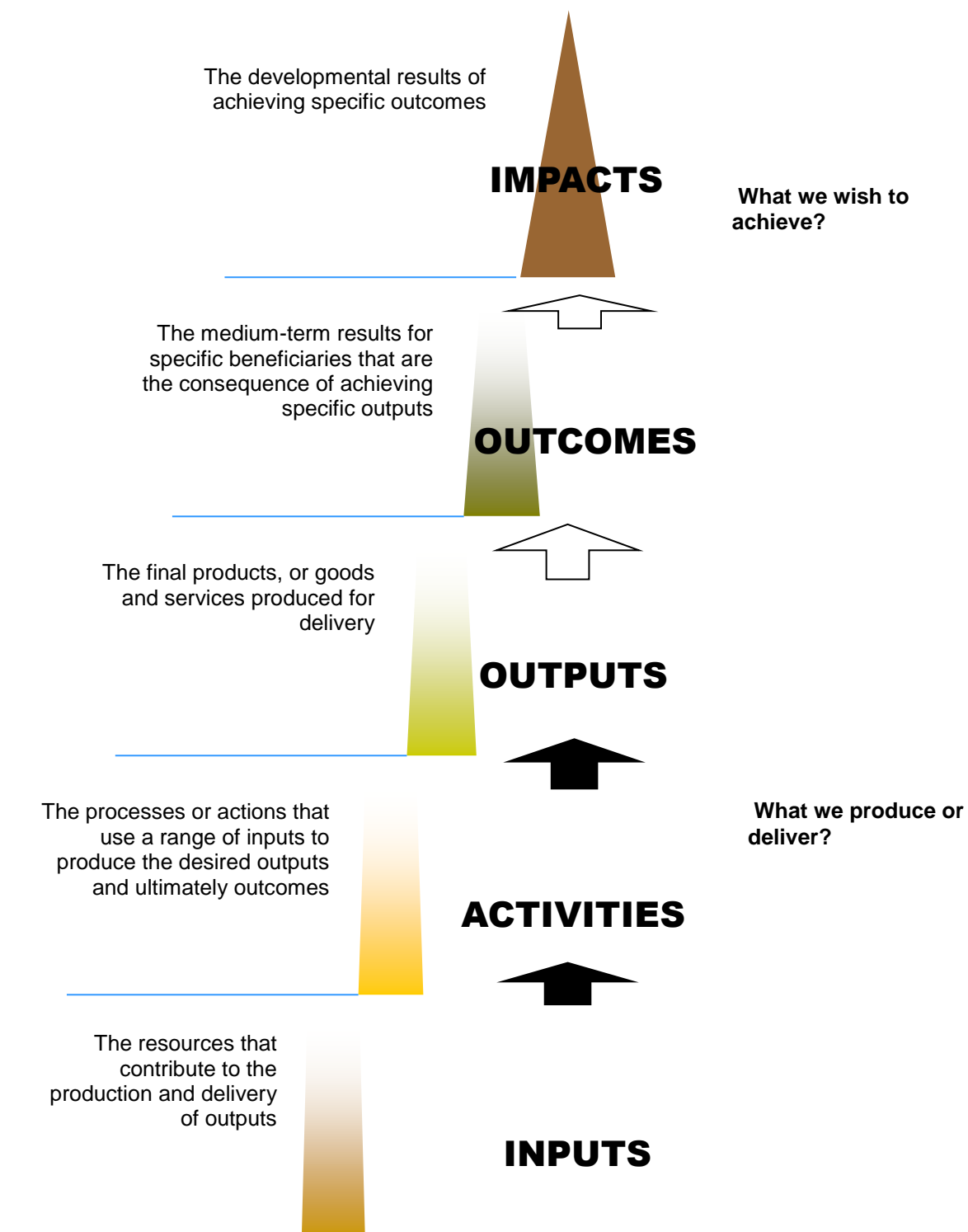


Figure 4 Definition of performance information concepts

The following table provides the main measurable performance objectives the municipality undertakes to achieve this financial year.

Table 31-32 MBRR Table SA7 - Measurable performance objectives

NC067 Khai-Ma - Supporting Table SA7 Measureable performance objectives										
Description	Unit of measurement	2016/17	2017/18	2018/19	Current Year 2019/20			2020/21 Medium Term Revenue & Expenditure Framework		
		Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2020/21	Budget Year +1 2021/22	Budget Year +2 2022/23
Vote 4 - Infrastructure Development										
Function 1 - Infrastructure Development										
Sub-function 1 - Electricity										
INEP: Electricity connection	90	0.0%	100.0%	0.0%						
INEP: Electricity connection- In filled	98				100.0%	100.0%	100.0%			
Sub-function 2 - Water										
MIG: Upgrading of bulkwater (Pofadder)	Phase 1-2	0.0%	100.0%	100.0%						
WSIG: Replacement of asbestos water pipes	Phase 1		100.0%							
WSIG: Upgrading of bulkwater - Onseepkans	%			100.0%						
MIG: Upgrading of Pella internal reticulation										
MIG: MIG: Upgrading of Pella internal reticulation	%				25.0%	25.0%	25.0%	25.0%	25.0%	25.0%
Vote 2 - Roads										
Function 1 - Roads										
Sub-function 1 - Roads										
Insert measure/s description										

The following table sets out the municipalities main performance objectives and benchmarks for the 2020/21 MTREF.

Table 33 MBRR Table SA8 - Performance indicators and benchmarks

1.10.1 Performance indicators and benchmarks

1.10.1.1 Borrowing Management

Capital expenditure in local government can be funded by capital grants, own-source revenue and long term borrowing. The ability of a municipality to raise long term borrowing is largely dependent on its creditworthiness and financial position. As with all other municipalities, borrowing strategy is primarily informed by the affordability of debt repayments.

1.10.1.2 Safety of Capital

- *The debt-to-equity ratio* is a financial ratio indicating the relative proportion of equity and debt used in financing the municipality's assets. The indicator is based on the total of loans, creditors, over and tax provisions as a percentage of funds and reserves.
- *Current ratio* is a measure of the current assets divided by the current liabilities and as a benchmark the municipality has set a limit of 1, hence at no point in time should this ratio be less than 1.
- *The liquidity ratio* is a measure of the ability of the municipality to utilize cash and cash equivalents to extinguish or retire its current liabilities immediately. Ideally the municipality should have the equivalent cash and cash equivalents on hand to meet at least the current liabilities, which should translate into a liquidity ratio of 1.
- As part of the financial sustainability strategy, an aggressive revenue management framework has been implemented to increase cash inflow, not only from current billings but also from debtors that are in arrears in excess of 120 days. The intention of the strategy is to streamline the revenue value chain by ensuring accurate billing, customer service, credit control and debt collection.

1.10.1.3 Creditors Management

- The municipality has not managed to ensure that creditors are settled within the legislated 30 days of invoice. While the liquidity ratio is of concern, by applying daily cash flow management the municipality has not managed to ensure a 100 per cent compliance rate to this legislative obligation.
- The electricity distribution losses have been increase from 10,71 per cent in the 2017/18 to 12 in 2018/2019 financial over the MTREF.
- The water distribution losses have been increase from 58 per cent in 2017/18 to 58 per cent in 2018/2019.

- Employee costs as a percentage of operating revenue continues to increase over the MTREF. This is primarily owing to the high increase in bulk purchases which directly increase revenue levels, as well as increased allocation relating to operating grants and transfers.
- Similar to that of employee costs, repairs and maintenance as percentage of operating revenue is also decreasing owing directly to cost drivers such as bulk purchases increasing far above inflation. In real terms, repairs and maintenance has increased as part of the municipality strategy to ensure the management of its asset base.

1.10.2 Free Basic Services: basic social services package for indigent households

The social package assists residents that have difficulty paying for services and are registered as indigent households in terms of the Indigent Policy of the municipality. With the exception of water, only registered indigents qualify for the free basic services.

For the 2020/21 financial year 1899 registered indigents have been provided for in the 2020/21 budget. In terms of the Municipality's indigent policy registered households are entitled to 6kl fee water, 50 kwh of electricity, one free drain pumping and free waste removal equivalent to 85l once a week.

1.10.3 Providing clean water and managing waste water

The municipality is the Water Services Authority for the entire municipality in terms of the Water Services Act, 1997 and acts as water services provider. Approximately 71 per cent of the municipalities bulk water needs are provided directly by Sedibeng in the form of purified water. The remaining 29 per cent is generated from the Orange river.

The following is briefly the main challenges facing the municipality in this regard:

- The infrastructure at most of the waste water treatment works is old and insufficient to treat the increased volumes of waste water to the necessary compliance standard;
- Shortage of skilled personnel makes proper operations and maintenance difficult;

1.11 Overview of budget related-policies

The municipality budgeting process is guided and governed by relevant legislation, frameworks, strategies and related policies.

1.11.1 Review of credit control and debt collection procedures/policies

The Collection Policy as approved by Council in May 2019. While the adopted policy is credible, sustainable, manageable and informed by affordability and value for money there has been a need to review certain components to achieve a higher collection rate.

As most of the indigents within the municipal area are unable to pay for municipal services because they are unemployed. The 2020/21 MTREF has been prepared on the basis of

achieving an average debtor's collection rate of 80 per cent on current billings. In addition the collection of debt in excess of 90 days has been prioritised as a pertinent strategy in increasing the municipalities cash levels.

1.11.2 Supply Chain Management Policy

The Supply Chain Management Policy was adopted by Council. An amended policy will be considered by Council in due course of which the amendments will be extensively consulted on.

1.11.3 Budget Policies

The Budget Policies aims to empower senior managers with an efficient financial and budgetary amendment and control system to ensure optimum service delivery within the legislative framework of the MFMA and the municipalities system of delegations.

1.11.4 Cash Management and Investment Policy

The aim of the policy is to ensure that the municipality surplus cash and investments are adequately managed, especially the funds set aside for the cash backing of certain reserves. The policy details the minimum cash and cash equivalents required at any point in time and introduces time frames to achieve certain benchmarks.

1.11.5 Tariff Policies

The municipalities tariff policies provide a broad framework within which the Council can determine fair, transparent and affordable charges that also promote sustainable service delivery.

1.11.6 Financial Modelling and Scenario Planning

The Financial Modelling and Scenario Planning Policy has directly informed the compilation of the 2020/21 MTREF with the emphasis on affordability and long-term sustainability. Amongst others, the following has been modelled as part of the financial modelling and scenario planning process:

- Cash Flow Management Interventions, Initiatives and Strategies (including the cash backing of reserves);
- Economic climate and trends (i.e Inflation, household debt levels, indigent factors, growth, recessionary implications);
- Loan and investment possibilities;
- Performance trends;
- Tariff Increases;
- The ability of the community to pay for services (affordability);
- Policy priorities;
- Improved and sustainable service delivery; and
- Debtor payment levels.

All the above policies are available at the municipality, as well as the following budget related policies:

- Property Rates Policy;
- Basic Social Services Package (Indigent Policy)

1.12 Overview of budget assumptions

1.12.1 External factors

Owing to the economic slowdown, financial resources are limited due to reduced payment levels by consumers. This has resulted in declining cash inflows, which has necessitated restrained expenditure to ensure that cash outflows remain within the affordability parameters of the municipalities finances.

1.12.2 General inflation outlook and its impact on the municipal activities

There are five key factors that have been taken into consideration in the compilation of the 2020/21 MTREF:

- National Government macro economic targets;
- The general inflationary outlook and the impact on municipalities residents and businesses;
- The impact of municipal cost drivers;
- The increase in prices for bulk electricity and water; and
- The increase in the cost of remuneration.

1.12.3 Credit rating outlook

Table 34 Credit rating outlook

The rating definitions are:

- Short term : Prime – 1
Short-Term Debt Ratings (maturities of less than one year)
Prime-1 (highest quality)
- Long-term : Aa3
Defined as high-grade. “Aa” rated are judged to be of high quality and are subject to very low credit risk.

1.12.4 Interest rates for borrowing and investment of funds

The MFMA specifies that borrowing can only be utilised to fund capital or refinancing of borrowing in certain conditions. Collection rate for revenue services

The base assumption is that tariff and rating increases will increase at a rate slightly higher than CPI over the long term. It is also assumed that current economic conditions, and relatively controlled inflationary conditions, will continue for the forecasted term.

1.12.5 Salary

1.12.6 Increases

Actual costs budgeted of councillors allowance accordance the Gazette on the Remuneration of Public Officer Bearers Act.

1.12.7 Impact of national, provincial and local policies

Integration of service delivery between national, provincial and local government is critical to ensure focussed service delivery and in this regard various measures were implemented to align IDPs, provincial and national strategies around priority spatial interventions. In this regard, the following national priorities form the basis of all integration initiatives:

- Creating jobs;
- Enhancing education and skill development;
- Improving Health services;
- Rural development and agriculture; and
- Fighting crime and corruption.

1.12.8 Ability of the municipality to spend and deliver on the programmes

It is estimated that a spending rate of at least 70 per cent is achieved on operating expenditure and 75 per cent on the capital programme for the 2019/20 MTREF of which performance has been factored into the cash flow budget.

1.13 Overview of budget funding

1.13.1 Medium-term outlook: operating revenue

The following table is a breakdown of the operating revenue over the medium-term:

NC067 Khai-Ma - Table A4 Budgeted Financial Performance (revenue and expenditure)											
Description	Ref	2016/17	2017/18	2018/19	Current Year 2019/20				2020/21 Medium Term Revenue & Expenditure Framework		
R thousand	1	Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Pre-audit outcome	Budget Year 2020/21	Budget Year +1 2021/22	Budget Year +2 2022/23
Revenue By Source											
Property rates	2	4 078	5 053	5 311	8 236	8 465	8 465	8 465	9 079	9 496	9 933
Service charges - electricity revenue	2	7 250	7 532	8 345	9 329	14 224	14 224	14 224	10 239	10 710	11 203
Service charges - water revenue	2	6 831	6 403	5 903	6 432	13 459	13 459	13 459	7 736	8 092	8 464
Service charges - sanitation revenue	2	1 053	1 291	1 381	1 377	3 251	3 251	3 251	1 387	1 451	1 518
Service charges - refuse revenue	2	953	1 094	1 210	1 242	4 593	4 593	4 593	1 273	1 332	1 393
Rental of facilities and equipment		182	214	232	195	195	195	195	205	217	217
Interest earned - external investments		388	660	293	200	200	200	200	211	222	222
Interest earned - outstanding debtors		2 258	3 182	3 764	3 881	4 141	4 141	4 141	4 060	4 311	4 311
Dividends received		-	-	-	-	-	-	-	-	-	-
Fines, penalties and forfeits		31	55	68	82	82	82	82	86	91	91
Licences and permits		41	34	41	85	65	65	65	90	95	95
Agency services		236	243	174	-	-	-	-	-	-	-
Transfers and subsidies		20 059	20 083	22 125	24 110	27 582	27 582	27 582	25 118	26 003	27 485
Other revenue	2	2 980	4 659	3 053	31	31	31	31	32	33	35
Gains		-	-	-	-	-	-	-	-	-	-
Total Revenue (excluding capital transfers and		46 340	50 502	51 901	55 200	76 288	76 288	76 288	59 517	62 053	64 966

Table 35 Breakdown of the operating revenue over the medium-term

NC067 Khai-Ma - Supporting Table SA1 Supporting detail to 'Budgeted Financial Performance'											
Description	Ref	2016/17	2017/18	2018/19	Current Year 2019/20				2020/21 Medium Term Revenue & Expenditure Framework		
		Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Pre-audit outcome	Budget Year 2020/21	Budget Year +1 2021/22	Budget Year +2 2022/23
R thousand											
REVENUE ITEMS:											
Property rates	6										
Total Property Rates		15 673	17 141	18 445	18 930	19 025	19 025	19 025	20 364	21 301	22 281
less Revenue Foregone (exemptions, reductions and rebates and impermissible values in excess of section 17 of MPRA)		11 595	12 088	13 134	10 694	10 560	10 560	10 560	11 286	11 805	12 348
Net Property Rates		4 078	5 053	5 311	8 236	8 465	8 465	8 465	9 079	9 496	9 933
Service charges - electricity revenue	6										
Total Service charges - electricity revenue		7 788	8 081	8 945	17 254	22 387	22 387	22 387	18 796	19 660	20 565
less Revenue Foregone (in excess of 50 kwh per indigent household per month)		538	549	599	464	702	702	702	752	787	823
less Cost of Free Basis Services (50 kwh per indigent household per month)		—	—	—	7 461	7 461	7 461	7 461	7 804	8 163	8 539
Net Service charges - electricity revenue		7 250	7 532	8 345	9 329	14 224	14 224	14 224	10 239	10 710	11 203
Service charges - water revenue	6										
Total Service charges - water revenue		10 330	10 216	9 948	18 669	26 031	26 031	26 031	27 078	28 324	29 627
less Revenue Foregone (in excess of 6 kilolitres per indigent household per month)		3 499	3 814	4 046	4 054	4 389	4 389	4 389	4 478	4 684	4 899
less Cost of Free Basis Services (6 kilolitres per indigent household per month)		—	—	—	8 183	8 183	8 183	8 183	14 864	15 548	16 263
Net Service charges - water revenue		6 831	6 403	5 903	6 432	13 459	13 459	13 459	7 736	8 092	8 464
Service charges - sanitation revenue											
Total Service charges - sanitation revenue		3 161	3 643	3 855	6 315	8 189	8 189	8 189	9 323	9 752	10 200
less Revenue Foregone (in excess of free sanitation service to indigent households)		2 108	2 352	2 474	2 774	2 774	2 774	2 774	3 183	3 329	3 482
less Cost of Free Basis Services (free sanitation service to indigent households)		—	—	—	2 163	2 163	2 163	2 163	4 753	4 972	5 200
Net Service charges - sanitation revenue		1 053	1 291	1 381	1 377	3 251	3 251	3 251	1 387	1 451	1 518
Service charges - refuse revenue	6										
Total refuse removal revenue		3 175	3 569	3 823	7 477	10 847	10 847	10 847	11 054	11 563	12 095
Total landfill revenue		—	—	—	—	—	—	—	—	—	—
less Revenue Foregone (in excess of one removal a week to indigent households)		2 223	2 474	2 613	2 789	2 809	2 809	2 809	3 183	3 329	3 482
less Cost of Free Basis Services (removed once a week to indigent households)		—	—	—	3 446	3 446	3 446	3 446	6 599	6 902	7 220
Net Service charges - refuse revenue		953	1 094	1 210	1 242	4 593	4 593	4 593	1 273	1 332	1 393
Other Revenue by source											
Fuel Levy		—	—	—	—	—	—	—	—	—	—
Other Revenue		2 892	4 610	2 982	17	17	17	17	18	19	19
Sales of Goods and Rendering of Services		71	27	45	14	14	14	14	14	15	16
Surcharges		18	22	26	—	—	—	—	—	—	—
Total 'Other' Revenue	1	2 980	4 659	3 053	31	31	31	31	32	33	35
EXPENDITURE ITEMS:											
Employee related costs											
Basic Salaries and Wages	2	14 201	14 147	15 324	20 290	18 375	18 375	18 375	21 252	22 495	23 811
Pension and UIF Contributions		1 458	1 869	2 072	3 198	2 557	2 557	2 557	2 911	3 082	3 262
Medical Aid Contributions		276	256	396	2 047	1 232	1 232	1 232	938	993	1 051
Overtime		986	1 452	1 566	2 641	1 513	1 513	1 513	2 146	2 271	2 404
Performance Bonus		748	1 353	1 140	1 413	1 124	1 124	1 124	1 365	1 438	1 523
Motor Vehicle Allowance		303	290	230	578	340	340	340	310	328	347
Cellphone Allowance		292	23	23	35	25	25	25	41	43	46
Housing Allowances		60	(92)	69	92	92	92	92	67	71	76
Other benefits and allowances		—	575	495	687	542	542	542	774	801	848
Payments in lieu of leave		660	347	269	179	179	179	179	190	201	213
Long service awards		66	168	106	138	200	200	200	213	225	238
Post-retirement benefit obligations	4	249	721	(124)	980	812	812	812	1 093	917	985
sub-total	5	19 300	21 109	21 565	32 274	26 988	26 988	26 988	31 299	32 865	34 803
Less: Employees costs capitalised to PPE		—	—	—	—	—	—	—	—	—	—
Total Employee related costs	1	19 300	21 109	21 565	32 274	26 988	26 988	26 988	31 299	32 865	34 803

Depreciation & asset impairment											
Depreciation of Property , Plant & Equipment		3 401	9 265	7 429	3 462	4 739	4 739	4 739	4 848	4 548	4 890
Lease amortisation		-	-	-	-	-	-	-	-	-	-
Capital asset impairment		118	-	-	11	0	0	0	-	-	-
		-	-	-	-	-	-	-	-	-	-
Total Depreciation & asset impairment	1	3 519	9 265	7 429	3 474	4 740	4 740	4 740	4 848	4 548	4 890
Bulk purchases											
Electricity Bulk Purchases		7 100	7 461	8 663	9 375	10 001	10 001	10 001	10 814	11 377	12 389
Water Bulk Purchases		3 730	4 933	4 270	4 900	4 400	4 400	4 400	4 500	4 950	5 445
Total bulk purchases	1	10 830	12 394	12 933	14 275	14 401	14 401	14 401	15 314	16 327	17 834
Transfers and grants											
Cash transfers and grants		-	-	-	-	-	-	-	-	-	-
Non-cash transfers and grants		-	-	-	-	-	-	-	-	-	-
Total transfers and grants	1	-	-	-	-	-	-	-	-	-	-
Contracted services											
Outsourced Services		368	464	1 040	370	370	370	370	236	247	258
Consultants and Professional Services		1 287	800	1 117	1 124	1 624	1 624	1 624	1 435	1 501	1 570
Contractors		1 375	1 024	1 145	2 080	2 080	2 080	2 080	2 057	2 151	2 250
Total contracted services		3 030	2 287	3 303	3 574	4 074	4 074	4 074	3 728	3 899	4 079
Other Expenditure By Type											
Collection costs		-	-	-	-	-	-	-	-	-	-
Contributions to 'other' provisions		-	-	-	-	-	-	-	-	-	-
Audit fees		2 128	2 660	3 326	1 929	1 929	1 929	1 929	2 018	2 110	2 207
Other Expenditure		-	164	235	435	432	432	432	472	494	517
Printing, Publications and Books		-	56	12	81	81	81	81	85	89	93
Entertainment		26	19	17	44	39	39	39	41	43	45
Insurance		246	234	279	380	380	380	380	401	420	439
Skills Development Fund Levy		146	182	191	241	246	246	246	260	272	284
Ward Committees		146	98	179	240	240	240	240	251	263	275
Advertising, Publicity and Marketing		17	83	42	86	81	81	81	85	89	93
Travel and Subsistence		1 266	945	1 265	1 924	1 616	1 616	1 616	1 652	1 728	1 808
Communication		355	393	407	697	722	722	722	701	734	767
Inventory Consumed		853	-	-	-	-	-	-	-	-	-
Bank Charges		224	242	245	280	280	280	280	293	306	320
Professional Bodies, Membership and Subscription		537	24	518	552	552	552	552	575	602	629
Wet Fuel		504	516	537	670	670	670	670	701	733	767
Licences		-	93	84	121	121	121	121	127	132	138
Levies Paid		-	-	-	122	122	122	122	128	133	140
Commission		385	380	440	425	425	425	425	445	465	486
Uniform and Protective Clothing		60	-	-	-	-	-	-	-	-	-
Workmen's Compensation Fund		121	-	-	-	-	-	-	-	-	-
		-	-	-	-	-	-	-	-	-	-
Total 'Other' Expenditure	1	7 013	6 089	7 779	8 226	7 935	7 935	7 935	8 234	8 613	9 009
Repairs and Maintenance											
Employee related costs	8	-	-	-	-	-	-	-	-	-	-
Other materials		430	790	1 449	2 276	2 276	2 276	2 276	2 382	2 492	2 607
Contracted Services		679	1 152	1 064	1 898	1 798	1 798	1 798	1 753	1 834	1 919
Other Expenditure		17	-	-	-	-	-	-	-	-	-
Total Repairs and Maintenance Expenditure	9	1 127	1 942	2 513	4 174	4 074	4 074	4 074	4 136	4 326	4 525

The following graph is a breakdown of the operational revenue per main category for the 2020/21 financial year.

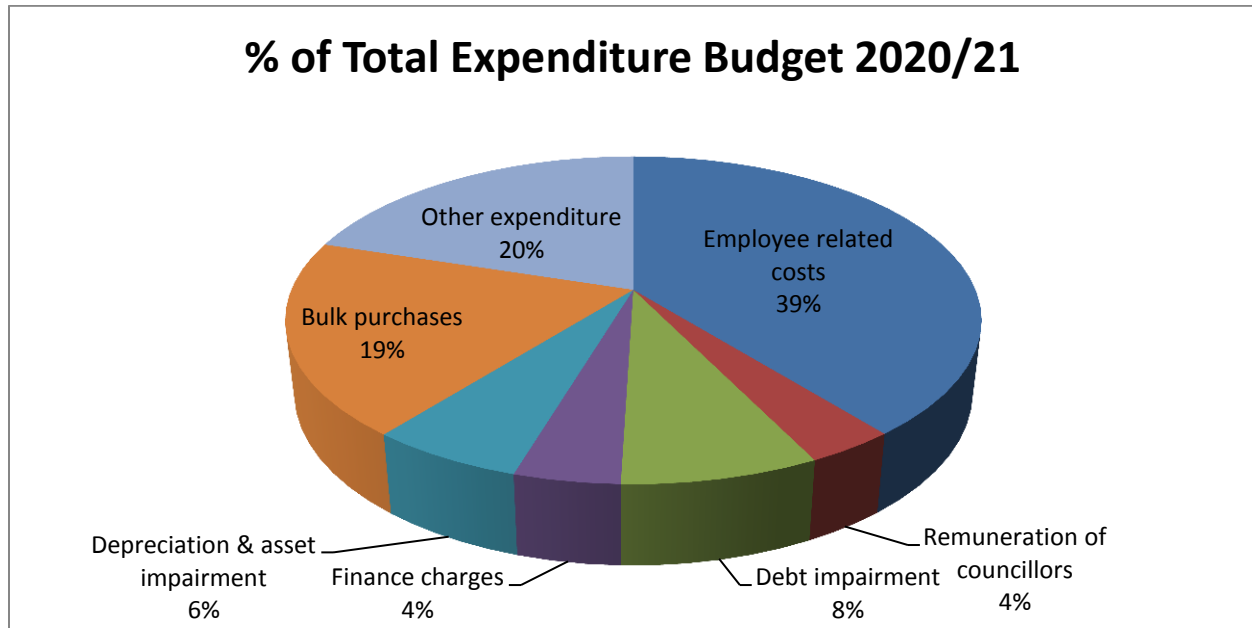


Figure 5 Breakdown of operating revenue over the 2020/21 MTREF

Tariff setting plays a major role in ensuring desired levels of revenue. Getting tariffs right assists in the compilation of a credible and funded budget. The municipality derives most of its operational revenue from the provision of goods and services such as water, electricity, sanitation and solid waste removal. Property rates, operating and capital grants from organs of state and other minor charges (such as building plan fees, licenses and permits etc).

The revenue strategy is a function of key components such as:

- Growth in the municipality and economic development;
- Revenue management and enhancement;
- Achievement of a 80 per cent annual collection rate for consumer revenue;
- National Treasury guidelines;
- Electricity tariff increases within the National Electricity Regulator of South Africa (NERSA) approval;
- Achievement of full cost recovery of specific user charges;
- Determining tariff escalation rate by establishing/calculating revenue requirements;
- The Property Rates Policy in terms of the Municipal Property Rates Act, 2004 (Act 6 of 2004) (MPRA), and
- And the ability to extend new services and obtain cost recovery levels.

The above principles guide the annual increase in the tariffs charged to the consumers and the ratepayers aligned to the economic forecasts.

The proposed tariff increases for the 2020/21 MTREF on the different revenue categories are:

Table 36 Proposed tariff increases over the medium-term:

NC067 Khai-Ma - Table A4 Budgeted Financial Performance (revenue and expenditure)											
Description	Ref	2016/17	2017/18	2018/19	Current Year 2019/20				2020/21 Medium Term Revenue & Expenditure Framework		
		Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Pre-audit outcome	Budget Year 2020/21	Budget Year +1 2021/22	Budget Year +2 2022/23
R thousand	1										
Revenue By Source											
Property rates	2	4 078	5 053	5 311	8 236	8 465	8 465	8 465	9 079	9 496	9 933
Service charges - electricity revenue	2	7 250	7 532	8 345	9 329	14 224	14 224	14 224	10 239	10 710	11 203
Service charges - water revenue	2	6 831	6 403	5 903	6 432	13 459	13 459	13 459	7 736	8 092	8 464
Service charges - sanitation revenue	2	1 053	1 291	1 381	1 377	3 251	3 251	3 251	1 387	1 451	1 518
Service charges - refuse revenue	2	953	1 094	1 210	1 242	4 593	4 593	4 593	1 273	1 332	1 393
Rental of facilities and equipment		182	214	232	195	195	195	195	205	217	217
Interest earned - external investments		388	660	293	200	200	200	200	211	222	222
Interest earned - outstanding debtors		2 258	3 182	3 764	3 881	4 141	4 141	4 141	4 060	4 311	4 311
Dividends received		-	-	-	-	-	-	-	-	-	-
Fines, penalties and forfeits		31	55	68	82	82	82	82	86	91	91
Licences and permits		41	34	41	85	65	65	65	90	95	95
Agency services		236	243	174	-	-	-	-	-	-	-
Transfers and subsidies		20 059	20 083	22 125	24 110	27 582	27 582	27 582	25 118	26 003	27 485
Other revenue	2	2 980	4 659	3 053	31	31	31	31	32	33	35
Gains		-	-	-	-	-	-	-	-	-	-
Total Revenue (excluding capital transfers and contributions)		46 340	50 502	51 901	55 200	76 288	76 288	76 288	59 517	62 053	64 966
Expenditure By Type											
Employee related costs	2	19 300	21 109	21 565	32 274	26 988	26 988	26 988	31 299	32 865	34 803
Remuneration of councillors		2 214	2 662	2 594	3 110	2 876	2 876	2 876	2 811	2 976	3 150
Debt impairment	3	9 389	8 896	7 850	5 373	5 373	5 373	5 373	6 199	6 080	6 267
Depreciation & asset impairment	2	3 519	9 265	7 429	3 474	4 740	4 740	4 740	4 848	4 548	4 890
Finance charges		2 449	2 939	3 213	2 126	3 201	3 201	3 201	3 327	2 253	2 309
Bulk purchases	2	10 830	12 394	12 933	14 275	14 401	14 401	14 401	15 314	16 327	17 834
Other materials	8	-	1 744	1 562	3 840	3 980	3 980	3 980	4 098	4 286	4 483
Contracted services		3 030	2 287	3 303	3 574	4 074	4 074	4 074	3 728	3 899	4 079
Transfers and subsidies		-	-	-	-	-	-	-	-	-	-
Other expenditure	4, 5	7 013	6 089	7 779	8 226	7 935	7 935	7 935	8 234	8 613	9 009
Losses		156	6	76	-	-	-	-	-	-	-
Total Expenditure		57 899	67 390	68 302	76 271	73 567	73 567	73 567	79 859	81 847	86 824
Surplus/(Deficit)		(11 559)	(16 888)	(16 401)	(21 071)	2 721	2 721	2 721	(20 342)	(19 794)	(21 858)
Transfers and subsidies - capital (monetary allocations) (National / Provincial and District)		6 586	17 556	12 862	10 079	5 218	5 218	5 218	6 742	18 466	17 130
Transfers and subsidies - capital (monetary allocations) (National / Provincial Departmental Agencies, Households, Non-profit Institutions, Private Enterprises, Public Corporatons, Higher Educational Institutions)	6	-	-	-	-	-	-	-	-	-	-
Transfers and subsidies - capital (in-kind - all)		-	378	-	-	-	-	-	-	-	-
Surplus/(Deficit) after capital transfers & contributions		(4 973)	1 046	(3 538)	(10 992)	7 940	7 940	7 940	(13 600)	(1 328)	(4 728)
Taxation		-	-	-	-	-	-	-	-	-	-
Surplus/(Deficit) after taxation		(4 973)	1 046	(3 538)	(10 992)	7 940	7 940	7 940	(13 600)	(1 328)	(4 728)
Attributable to minorities		-	-	-	-	-	-	-	-	-	-
Surplus/(Deficit) attributable to municipality		(4 973)	1 046	(3 538)	(10 992)	7 940	7 940	7 940	(13 600)	(1 328)	(4 728)
Share of surplus/ (deficit) of associate	7	-	-	-	-	-	-	-	-	-	-
Surplus/(Deficit) for the year		(4 973)	1 046	(3 538)	(10 992)	7 940	7 940	7 940	(13 600)	(1 328)	(4 728)

The tables below provide detail investment information and investment particulars by maturity.

Table 37 MBRR SA15 – Detail Investment Information

NC067 Khai-Ma - Supporting Table SA15 Investment particulars by type										
Investment type	Ref	2016/17	2017/18	2018/19	Current Year 2019/20			2020/21 Medium Term Revenue & Expenditure Framework		
		Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2020/21	Budget Year +1 2021/22	Budget Year +2 2022/23
R thousand										
Parent municipality										
Securities - National Government		-	-	-	-	-	-	-	-	-
Listed Corporate Bonds		-	-	-	-	-	-	-	-	-
Deposits - Bank		-	-	-	400	400	400	400	400	400
Deposits - Public Investment Commissioners		-	-	-	-	-	-	-	-	-
Deposits - Corporation for Public Deposits		-	-	-	-	-	-	-	-	-
Bankers Acceptance Certificates		-	-	-	-	-	-	-	-	-
Negotiable Certificates of Deposit - Banks		-	-	-	-	-	-	-	-	-
Guaranteed Endowment Policies (sinking)		-	-	-	-	-	-	-	-	-
Repurchase Agreements - Banks		-	-	-	-	-	-	-	-	-
Municipal Bonds		-	-	-	-	-	-	-	-	-
Municipality sub-total	1	-	-	-	400	400	400	400	400	400
Entities										
Securities - National Government		-	-	-	-	-	-	-	-	-
Listed Corporate Bonds		-	-	-	-	-	-	-	-	-
Deposits - Bank		-	-	-	-	-	-	-	-	-
Deposits - Public Investment Commissioners		-	-	-	-	-	-	-	-	-
Deposits - Corporation for Public Deposits		-	-	-	-	-	-	-	-	-
Bankers Acceptance Certificates		-	-	-	-	-	-	-	-	-
Negotiable Certificates of Deposit - Banks		-	-	-	-	-	-	-	-	-
Guaranteed Endowment Policies (sinking)		-	-	-	-	-	-	-	-	-
Repurchase Agreements - Banks		-	-	-	-	-	-	-	-	-
Entities sub-total		-	-	-	-	-	-	-	-	-
Consolidated total:		-	-	-	400	400	400	400	400	400

Table 38 MBRR SA16 – Investment particulars by maturity

For the medium-term, the funding strategy has been informed directly by ensuring financial sustainability and continuity.

1.13.2 Medium-term outlook: capital revenue

NC067 Khai-Ma - Supporting Table SA16 Investment particulars by maturity														
Investments by Maturity	Ref	Period of Investment	Type of Investment	Capital Guarantee (Yes/ No)	Variable or Fixed interest rate	Interest Rate *	Commission Paid (Rands)	Commission Recipient	Expiry date of investment	Opening balance	Interest to be realised	Partial / Premature Withdrawal (4)	Investment Top Up	Closing Balance
		Yrs/Months												
Name of institution & investment ID	1													
Parent municipality														
Standard Bank		Monthly	Call Deposit	Yes	Variable	6			Ongoing	400	-	-	-	400
														-
														-
Municipality sub-total										400			-	400
Entities														-
														-
														-
Entities sub-total										-		-	-	-
TOTAL INVESTMENTS AND INTEREST	1									400				400

The following table is a breakdown of the funding composition of the 2020/21 medium-term capital programme:

Table 39 Sources of capital revenue over the MTREF

NC067 Khai-Ma - Table A9 Asset Management										
Description	Ref	2016/17	2017/18	2018/19	Current Year 2019/20			2020/21 medium term Revenue & Expenditure Framework		
R thousand		Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2020/21	Budget Year +1 2021/22	Budget Year +2 2022/23
CAPITAL EXPENDITURE										
Total New Assets	1	6 902	19 317	13 669	10 279	6 056	6 056	6 942	18 466	17 130
Roads Infrastructure		4 426	-	-	-	-	-	-	-	-
Storm water Infrastructure		-	-	-	-	-	-	-	-	-
Electrical Infrastructure		-	199	1 483	1 920	840	840	-	1 500	5 000
Water Supply Infrastructure		1 184	12 077	7 143	7 459	3 867	3 867	6 742	16 966	12 130
Sanitation Infrastructure		-	-	2 408	700	-	-	-	-	-
Solid Waste Infrastructure		1 007	6 834	-	-	-	-	-	-	-
Rail Infrastructure		-	-	-	-	-	-	-	-	-
Coastal Infrastructure		-	-	-	-	-	-	-	-	-
Information and Communication Infrastructure		-	-	-	-	-	-	-	-	-
Infrastructure		6 617	19 110	11 034	10 079	4 706	4 706	6 742	18 466	17 130
Community Facilities		-	-	-	-	-	-	-	-	-
Sport and Recreation Facilities		-	-	2 536	-	458	458	-	-	-
Community Assets		-	-	2 536	-	458	458	-	-	-
Licences and Rights		10	26	23	-	-	-	-	-	-
Intangible Assets		10	26	23	-	-	-	-	-	-
Computer Equipment		116	68	63	200	200	200	200	-	-
Furniture and Office Equipment		123	-	8	-	-	-	-	-	-
Machinery and Equipment		8	113	5	-	-	-	-	-	-
Transport Assets		28	-	-	-	692	692	-	-	-
Land		-	-	-	-	-	-	-	-	-
Zoo's, Marine and Non-biological Animals		-	-	-	-	-	-	-	-	-
Total Renewal of Existing Assets	2	160	2 959	-	-	-	-	-	-	-
Roads Infrastructure		-	-	-	-	-	-	-	-	-
Sport and Recreation Facilities		160	2 959	-	-	-	-	-	-	-
Community Assets		160	2 959	-	-	-	-	-	-	-

The above table is graphically represented as follows for the 2020/21 financial year.

Figure 6 Sources of capital revenue for the 2019/20 financial year:

NC067 Khai-Ma - Table A5 Budgeted Capital Expenditure by vote, functional classification and funding											
Vote Description	Ref	2016/17	2017/18	2018/19	Current Year 2019/20				2020/21 Medium Term Revenue & Expenditure Framework		
		Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Pre-audit outcome	Budget Year 2020/21	Budget Year +1 2021/22	Budget Year +2 2022/23
R thousand	1										
Capital expenditure - Vote											
Multi-year expenditure to be appropriated	2										
Vote 1 - Municipal Manager		-	-	-	-	-	-	-	-	-	-
Vote 2 - Finance		-	-	-	-	-	-	-	-	-	-
Vote 3 - Corporate Services		-	-	-	-	-	-	-	-	-	-
Vote 4 - Infrastructure Development		-	-	-	-	-	-	-	-	-	-
Vote 5 - Economic Development		-	-	-	-	-	-	-	-	-	-
Capital multi-year expenditure sub-total	7	-	-	-	-	-	-	-	-	-	-
Single-year expenditure to be appropriated	2										
Vote 1 - Municipal Manager		166	100	153	200	892	892	892	200	-	-
Vote 2 - Finance		-	-	-	-	-	-	-	-	-	-
Vote 3 - Corporate Services		119	-	-	-	-	-	-	-	-	-
Vote 4 - Infrastructure Development		6 777	22 177	13 516	10 079	5 164	5 164	5 164	6 742	18 466	17 130
Vote 5 - Economic Development		-	-	-	-	-	-	-	-	-	-
Capital single-year expenditure sub-total		7 062	22 277	13 669	10 279	6 056	6 056	6 056	6 942	18 466	17 130
Total Capital Expenditure - Vote		7 062	22 277	13 669	10 279	6 056	6 056	6 056	6 942	18 466	17 130
Capital Expenditure - Functional											
Governance and administration		166	94	153	200	892	892	892	200	-	-
Executive and council		166	94	153	200	892	892	892	200	-	-
Finance and administration		-	-	-	-	-	-	-	-	-	-
Internal audit		-	-	-	-	-	-	-	-	-	-
Community and public safety		279	2 959	2 536	-	458	458	458	-	-	-
Community and social services		119	-	-	-	-	-	-	-	-	-
Sport and recreation		160	2 959	2 536	-	458	458	458	-	-	-
Public safety		-	-	-	-	-	-	-	-	-	-
Housing		-	-	-	-	-	-	-	-	-	-
Health		-	-	-	-	-	-	-	-	-	-
Economic and environmental services		4 426	113	-	-	-	-	-	-	-	-
Planning and development		-	-	-	-	-	-	-	-	-	-
Road transport		4 426	113	-	-	-	-	-	-	-	-
Environmental protection		-	-	-	-	-	-	-	-	-	-
Trading services		2 191	19 110	10 980	10 079	4 706	4 706	4 706	6 742	18 466	17 130
Energy sources		-	199	1 483	1 920	840	840	840	-	1 500	5 000
Water management		1 184	12 077	7 089	7 459	3 867	3 867	3 867	6 742	16 966	12 130
Waste water management		-	-	2 408	700	-	-	-	-	-	-
Waste management		1 007	6 834	-	-	-	-	-	-	-	-
Other		-	-	-	-	-	-	-	-	-	-
Total Capital Expenditure - Functional	3	7 062	22 277	13 669	10 279	6 056	6 056	6 056	6 942	18 466	17 130
Funded by:											
National Government		5 753	15 124	12 862	10 079	4 706	4 706	4 706	6 742	18 466	17 130
Provincial Government		119	-	-	-	-	-	-	-	-	-
District Municipality		-	-	-	-	-	-	-	-	-	-
Transfers and subsidies - capital (monetary allocations) (National / Provincial)		-	-	-	-	-	-	-	-	-	-
Departmental Agencies, Households, Non-profit Institutions, Private Enterprises, Public Corporations, Higher Educational Institutions)		-	-	-	-	-	-	-	-	-	-
Transfers recognised - capital	4	5 872	15 124	12 862	10 079	4 706	4 706	4 706	6 742	18 466	17 130
Borrowing	6	-	-	-	-	-	-	-	-	-	-
Internally generated funds		1 190	7 153	807	200	1 349	1 349	1 349	200	-	-
Total Capital Funding	7	7 062	22 277	13 669	10 279	6 056	6 056	6 056	6 942	18 466	17 130

Table 40 MBRR Table SA 17 – Detail of Borrowing

NC067 Khai-Ma - Supporting Table SA17 Borrowing										
Borrowing - Categorised by type	Ref	2016/17	2017/18	2018/19	Current Year 2019/20			2020/21 Medium Term Revenue & Expenditure Framework		
		Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2020/21	Budget Year +1 2021/22	Budget Year +2 2022/23
R thousand										
Parent municipality										
Annuity and Bullet Loans		-	-	-	-	-	-	-	-	-
Long-Term Loans (non-annuity)		-	-	-	11 500	-	-	-	-	-
Local registered stock		-	-	-	-	-	-	-	-	-
Instalment Credit		-	-	-	-	-	-	-	-	-
Financial Leases		29	29	-	-	-	-	-	-	-
PPP liabilities		-	-	-	-	-	-	-	-	-
Finance Granted By Cap Equipment Supplier		-	-	-	-	-	-	-	-	-
Marketable Bonds		-	-	-	-	-	-	-	-	-
Non-Marketable Bonds		-	-	-	-	-	-	-	-	-
Bankers Acceptances		-	-	-	-	-	-	-	-	-
Financial derivatives		-	-	-	-	-	-	-	-	-
Other Securities		-	-	-	-	-	-	-	-	-
Municipality sub-total	1	29	29	-	11 500	-	-	-	-	-
Entities										
Annuity and Bullet Loans		-	-	-	-	-	-	-	-	-
Long-Term Loans (non-annuity)		-	-	-	-	-	-	-	-	-
Local registered stock		-	-	-	-	-	-	-	-	-
Instalment Credit		-	-	-	-	-	-	-	-	-
Financial Leases		-	-	-	-	-	-	-	-	-
PPP liabilities		-	-	-	-	-	-	-	-	-
Finance Granted By Cap Equipment Supplier		-	-	-	-	-	-	-	-	-
Marketable Bonds		-	-	-	-	-	-	-	-	-
Non-Marketable Bonds		-	-	-	-	-	-	-	-	-
Bankers Acceptances		-	-	-	-	-	-	-	-	-
Financial derivatives		-	-	-	-	-	-	-	-	-
Other Securities		-	-	-	-	-	-	-	-	-
Entities sub-total	1	-	-	-	-	-	-	-	-	-
Total Borrowing	1	29	29	-	11 500	-	-	-	-	-

All external fund are redeemed.

Table 41 MBRR Table SA 18 - Capital transfers and grant receipts

NC067 Khai-Ma - Supporting Table SA18 Transfers and grant receipts										
Description	Ref	2016/17	2017/18	2018/19	Current Year 2019/20			2020/21 Medium Term Revenue & Expenditure Framework		
		Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2020/21	Budget Year +1 2021/22	Budget Year +2 2022/23
R thousand										
RECEIPTS:	1, 2									
Operating Transfers and Grants										
National Government:		17 925	18 291	21 367	23 402	23 037	23 037	25 118	26 003	27 485
Local Government Equitable Share		15 552	16 391	17 394	18 953	18 953	18 953	20 307	21 858	23 315
Local Government Financial Management Grant		1 825	1 900	1 970	2 435	2 435	2 435	2 800	3 100	3 100
Municipal Infrastructure Grant		–	–	1 002	1 014	649	649	1 011	1 045	1 070
Expanded Public Works Programme		–	–	1 000	1 000	1 000	1 000	1 000	–	–
Integrated National Electrification Programme		–	–	–	–	–	–	–	–	–
Municipal Water Infrastructure Grant		–	–	–	–	–	–	–	–	–
Municipal Systems Improvement Grant		548	–	–	–	–	–	–	–	–
Provincial Government:		2 134	1 715	708	708	708	708	–	–	–
Libraries, Archives and Museums - Library Services		1 134	813	708	708	708	708	–	–	–
Expanded Public Works Programme		1 000	903	–	–	–	–	–	–	–
District Municipality:		–	–	–	–	–	–	–	–	–
Northern Cape - DC 06 - Namakwa		–	–	–	–	–	–	–	–	–
Other grant providers:		–	76	50	–	3 837	3 837	–	–	–
Construction, Education and Training SETA		–	76	–	–	–	–	–	–	–
National Treasury (Auditor-General)		–	–	–	–	3 066	3 066	–	–	–
Vedanta Black Mountain		–	–	50	–	772	772	–	–	–
Total Operating Transfers and Grants	5	20 059	20 083	22 125	24 110	27 582	27 582	25 118	26 003	27 485
Capital Transfers and Grants										
National Government:		6 586	17 556	12 862	10 079	5 218	5 218	6 742	18 466	17 130
Municipal Infrastructure Grant		6 586	12 587	6 710	6 759	3 867	3 867	6 742	6 966	7 130
Integrated National Electrification Programme		–	983	1 071	1 920	894	894	–	1 500	5 000
Municipal Water Infrastructure Grant		–	3 986	5 082	1 400	–	–	–	10 000	5 000
Sport		–	–	–	–	458	458	–	–	–
Provincial Government:		–	–	–	–	–	–	–	–	–
COGHTA		–	–	–	–	–	–	–	–	–
District Municipality:		–	–	–	–	–	–	–	–	–
Northern Cape - DC 06 - Namakwa		–	–	–	–	–	–	–	–	–
Other grant providers:		–	–	–	–	–	–	–	–	–
Construction, Education and Training SETA		–	–	–	–	–	–	–	–	–
Vedanta Black Mountain		–	–	–	–	–	–	–	–	–
Total Capital Transfers and Grants	5	6 586	17 556	12 862	10 079	5 218	5 218	6 742	18 466	17 130
TOTAL RECEIPTS OF TRANSFERS & GRANTS		26 645	37 639	34 987	34 189	32 800	32 800	31 860	44 469	44 615

1.13.3 Cash Flow Management

NC067 Khai-Ma - Supporting Table SA25 Budgeted monthly revenue and expenditure

NC067 Khai-Ma - Supporting Table SA25 Budgeted monthly revenue and expenditure																
Description	Ref	Budget Year 2020/21												Medium Term Revenue and Expenditure Framework		
		July	August	Sept.	October	November	December	January	February	March	April	May	June	Budget Year 2020/21	Budget Year +1 2021/22	Budget Year +2 2022/23
R thousand																
Revenue By Source																
Property rates		757	757	757	757	757	757	757	757	757	757	757	757	9 079	9 496	9 933
Service charges - electricity revenue		853	853	853	853	853	853	853	853	853	853	853	853	10 239	10 710	11 203
Service charges - water revenue		645	645	645	645	645	645	645	645	645	645	645	645	7 736	8 092	8 464
Service charges - sanitation revenue		116	116	116	116	116	116	116	116	116	116	116	116	1 387	1 451	1 518
Service charges - refuse revenue		106	106	106	106	106	106	106	106	106	106	106	106	1 273	1 332	1 393
Rental of facilities and equipment		17	17	17	17	17	17	17	17	17	17	17	17	205	217	217
Interest earned - external investments		18	18	18	18	18	18	18	18	18	18	18	18	211	222	222
Interest earned - outstanding debtors		338	338	338	338	338	338	338	338	338	338	338	338	4 060	4 311	4 311
Dividends received		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Fines, penalties and forfeits		7	7	7	7	7	7	7	7	7	7	7	7	86	91	91
Licences and permits		7	7	7	7	7	7	7	7	7	7	7	7	90	95	95
Agency services		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Transfers and subsidies		2 093	2 093	2 093	2 093	2 093	2 093	2 093	2 093	2 093	2 093	2 093	2 093	25 118	26 003	27 485
Other revenue		3	3	3	3	3	3	3	3	3	3	3	3	32	33	35
Gains		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Total Revenue (excluding capital transfers and contributions)		4 960	4 960	4 960	4 960	4 960	4 960	4 960	4 960	4 960	4 960	4 960	4 960	59 517	62 053	64 966
Expenditure By Type																
Employee related costs		2 605	2 605	2 605	2 605	2 605	2 605	2 605	2 605	2 605	2 605	2 605	2 646	31 299	32 865	34 803
Remuneration of councillors		234	234	234	234	234	234	234	234	234	234	234	234	2 811	2 976	3 150
Debt impairment		517	517	517	517	517	517	517	517	517	517	517	517	6 199	6 080	6 267
Depreciation & asset impairment		404	404	404	404	404	404	404	404	404	404	404	404	4 848	4 548	4 890
Finance charges		277	277	277	277	277	277	277	277	277	277	277	277	3 327	2 253	2 309
Bulk purchases		1 276	1 276	1 276	1 276	1 276	1 276	1 276	1 276	1 276	1 276	1 276	1 276	15 314	16 327	17 834
Other materials		341	341	341	341	341	341	341	341	341	341	341	342	4 098	4 286	4 483
Contracted services		311	311	311	311	311	311	311	311	311	311	311	311	3 728	3 899	4 079
Transfers and subsidies		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Other expenditure		686	686	686	686	686	686	686	686	686	686	686	686	8 234	8 613	9 009
Losses		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Total Expenditure		6 651	6 651	6 651	6 651	6 651	6 651	6 651	6 651	6 651	6 651	6 651	6 692	79 859	81 847	86 824
Surplus/(Deficit)		(1 692)	(1 692)	(1 692)	(1 692)	(1 692)	(1 692)	(1 692)	(1 692)	(1 692)	(1 692)	(1 692)	(1 733)	(20 342)	(19 794)	(21 858)
Transfers and subsidies - capital (monetary allocations) (National / Provincial and District)		562	562	562	562	562	562	562	562	562	562	562	562	6 742	18 466	17 130
Transfers and subsidies - capital (monetary allocations) (National / Provincial Departmental Agencies, Households, Non-profit Institutions, Private Enterprises, Public Corporations, Higher Educational Institutions)		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Transfers and subsidies - capital (in-kind - all)		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Surplus/(Deficit) after capital transfers & contributions		(1 130)	(1 130)	(1 130)	(1 130)	(1 130)	(1 130)	(1 130)	(1 130)	(1 130)	(1 130)	(1 130)	(1 171)	(13 600)	(1 328)	(4 728)
Taxation		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Attributable to minorities		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Share of surplus/ (deficit) of associate		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Surplus/(Deficit)	1	(1 130)	(1 130)	(1 130)	(1 130)	(1 130)	(1 130)	(1 130)	(1 130)	(1 130)	(1 130)	(1 130)	(1 171)	(13 600)	(1 328)	(4 728)

Cash flow management and forecasting is a critical step in determining if the budget is funded over the medium-term. The table below is consistent with international standards of good financial management practice and also improves understandability for councillors and management. Some specific features include:

- Clear separation of receipts and payments within each cash flow category;
- Clear separation of capital and operating receipts from government, which also enables cash from 'Ratepayers and other' to be provided for as cash inflow based on actual performance. In other words the *actual collection rate* of billed revenue., and
- Separation of borrowing and loan repayments (no set-off), to assist with MFMA compliance assessment regarding the use of long term borrowing (debt).

Table 42 MBRR Table A7 - Budget cash flow statement

NC067 Khai-Ma - Table A7 Budgeted Cash Flows											
Description	Ref	2016/17	2017/18	2018/19	Current Year 2019/20				2020/21 Medium Term Revenue & Expenditure Framework		
		Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Pre-audit outcome	Budget Year 2020/21	Budget Year +1 2021/22	Budget Year +2 2022/23
R thousand											
CASH FLOW FROM OPERATING ACTIVITIES											
Receipts											
Property rates		4 726	3 886	5 538	6 589	6 653	6 653	6 653	7 263	7 597	7 947
Service charges		9 160	11 109	12 852	14 666	35 334	35 334	35 334	21 188	21 932	22 825
Other revenue		3 356	5 194	2 754	1 070	1 050	1 050	1 050	208	219	221
Transfers and Subsidies - Operational	1	19 465	17 879	18 874	24 110	27 582	27 582	27 582	25 118	26 003	27 485
Transfers and Subsidies - Capital	1	12 246	13 825	14 362	10 079	5 218	5 218	5 218	6 742	18 466	17 130
Interest		388	660	293	3 296	200	200	200	211	222	222
Dividends		-	-	-	-	-	-	-	-	-	-
Payments											
Suppliers and employees		(36 952)	(41 107)	(38 866)	(65 253)	(65 237)	(67 010)	(67 010)	(55 111)	(56 074)	(58 785)
Finance charges		(1 356)	(1 663)	(1 870)	(2 125)	(2 445)	(2 445)	(2 445)	-	-	-
Transfers and Grants	1	-	-	-	-	-	-	-	-	-	-
NET CASH FROM/(USED) OPERATING ACTIVITIES		11 034	9 784	13 937	(7 569)	8 355	6 581	6 581	5 620	18 365	17 044
CASH FLOWS FROM INVESTING ACTIVITIES											
Receipts											
Proceeds on disposal of PPE		-	-	-	-	-	-	-	-	-	-
Decrease (increase) in non-current receivables		-	-	-	-	-	-	-	-	-	-
Decrease (increase) in non-current investments		-	-	-	-	-	-	-	-	-	-
Payments											
Capital assets		(5 978)	(15 443)	(13 669)	(10 279)	(6 056)	(6 056)	(6 056)	(6 942)	(18 466)	(17 130)
NET CASH FROM/(USED) INVESTING ACTIVITIES		(5 978)	(15 443)	(13 669)	(10 279)	(6 056)	(6 056)	(6 056)	(6 942)	(18 466)	(17 130)
CASH FLOWS FROM FINANCING ACTIVITIES											
Receipts											
Short term loans		-	-	-	-	-	-	-	-	-	-
Borrowing long term/refinancing		-	-	-	-	-	-	-	-	-	-
Increase (decrease) in consumer deposits		24	30	22	13	13	13	13	11	16	10
Payments											
Repayment of borrowing		(23)	(26)	(29)	-	-	-	-	-	-	-
NET CASH FROM/(USED) FINANCING ACTIVITIES		1	5	(7)	13	13	13	13	11	16	10
NET INCREASE/ (DECREASE) IN CASH HELD		5 057	(5 655)	261	(17 835)	2 312	538	538	(1 311)	(85)	(76)
Cash/cash equivalents at the year begin:	2	1 531	6 588	933	817	1 194	1 194	1 194	1 733	422	337
Cash/cash equivalents at the year end:	2	6 588	933	1 194	(17 018)	3 507	1 733	1 733	422	337	261

The above table shows that cash and cash equivalents of the municipality were largely depleted between the 2020/21 and 2022/23.

1.13.4 Cash Backed Reserves/Accumulated Surplus Reconciliation

This following table meets the requirements of MFMA Circular 42 which deals with the funding of a municipal budget in accordance with sections 18 and 19 of the MFMA. The table seeks to answer three key questions regarding the use and availability of cash:

- What are the predicted cash and investments that are available at the end of the budget year?
- How are those funds used?
- What is the net funds available or funding shortfall?

A deficit would indicate the cash-backed accumulated surplus that was/is available.

Table 43 MBRR Table A8 - Cash backed reserves/accumulated surplus reconciliation

NC067 Khai-Ma - Table A8 Cash backed reserves/accumulated surplus reconciliation											
Description	Ref	2016/17	2017/18	2018/19	Current Year 2019/20				2020/21 Medium Term Revenue & Expenditure Framework		
		Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Pre-audit outcome	Budget Year 2020/21	Budget Year +1 2021/22	Budget Year +2 2022/23
Cash and investments available											
Cash/cash equivalents at the year end	1	6 588	933	1 194	(17 018)	3 872	2 098	2 098	215	32	42
Other current investments > 90 days		–	–	–	–	(0)	(0)	(0)	0	0	0
Non current assets - Investments	1	–	–	–	–	–	–	–	–	–	–
Cash and investments available:		6 588	933	1 194	(17 018)	3 872	2 098	2 098	215	32	42
Application of cash and investments											
Unspent conditional transfers		–	3 216	1 465	–	–	–	–	–	–	–
Unspent borrowing		–	–	–	–	–	–	–	–	–	–
Statutory requirements	2	–	–	–	–	–	–	–	–	–	–
Other working capital requirements	3	28 047	24 497	34 623	12 240	33 672	31 322	31 322	215	32	42
Other provisions		–	–	–	–	–	–	–	–	–	–
Long term investments committed	4	–	–	–	–	–	–	–	–	–	–
Reserves to be backed by cash/investments	5	16	–	–	16	16	–	–	–	–	–
Total Application of cash and investments:		28 063	27 713	36 088	12 257	33 688	31 322	31 322	215	32	42
Surplus(shortfall)		(21 475)	(26 779)	(34 894)	(29 275)	(29 816)	(29 224)	(29 224)	–	–	(0)

From the above table it can be seen that the cash and investments available total is in a shortfall of R44,7 million in the 2020/21 financial year and change to a shortfall of R57,9 million by 2021/22 and R72,9 Million by 2022/23, including the projected cash and cash equivalents as determined in the cash flow forecast. The following is a breakdown of the application of this funding:

- Unspent conditional transfers (grants) are automatically assumed to be an obligation as the municipality has received government transfers in advance of meeting the conditions.

1.13.5 Funding compliance measurement:

National Treasury requires that the municipality assess its financial sustainability against fourteen different measures that look at various aspects of the financial health of the municipality. These measures are contained in the following table. All the information comes directly from the annual budgeted statements of financial performance, financial position and cash flows. The funding compliance measurement table essentially measures the degree to which the proposed budget complies with the funding requirements of the MFMA. Each of the measures is discussed below.

Table 44 MBRR SA10 – Funding compliance measurement

NC067 Khai-Ma Supporting Table SA10 Funding measurement												
Description	MFMA section	Ref	2016/17	2017/18	2018/19	Current Year 2019/20				2020/21 Medium Term Revenue & Expenditure Framework		
			Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Pre-audit outcome	Budget Year 2020/21	Budget Year +1 2021/22	Budget Year +2 2022/23
Funding measures												
Cash/cash equivalents at the year end - R'000	18(1)b	1	6 588	933	1 194	(17 018)	3 872	2 098	2 098	215	32	42
Cash + investments at the yr end less applications - R'000	18(1)b	2	(21 475)	(26 779)	(34 894)	(29 275)	(29 816)	(29 224)	(29 224)	-	-	(0)
Cash year end/monthly employee/supplier payments	18(1)b	3	1.6	0.2	0.3	(3.1)	0.8	0.4	0.4	0.0	0.0	0.0
Surplus/(Deficit) excluding depreciation offsets: R'000	18(1)	4	(4 973)	1 234	(3 351)	(10 805)	10 927	10 927	10 927	(13 412)	(1 140)	(4 540)
Service charge rev. % change - macro CPIX target exclusive	18(1)a,(2)	5	N.A.	(0.0%)	(2.4%)	14.2%	59.3%	(6.0%)	(6.0%)	(38.5%)	(1.4%)	(1.4%)
Cash receipts % of Ratepayer & Other revenue	18(1)a,(2)	6	66.6%	67.8%	71.7%	72.3%	88.7%	88.7%	88.7%	83.8%	83.0%	83.2%
Debt impairment expense as a % of total billable revenue	18(1)a,(2)	7	46.6%	41.6%	35.4%	20.2%	12.2%	12.2%	12.2%	20.9%	19.6%	19.3%
Capital payments % of capital expenditure	18(1)c;19	8	84.6%	69.3%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%
Borrowing receipts % of capital expenditure (excl. transfers)	18(1)c	9	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%
Grants % of Govt. legislated/gazetted allocations	18(1)a	10								100.0%	100.0%	100.0%
Current consumer debtors % change - incr(decr)	18(1)a	11	N.A.	64.4%	17.2%	(63.3%)	11.4%	(5.8%)	0.0%	(24.3%)	0.0%	0.0%
Long term receivables % change - incr(decr)	18(1)a	12	N.A.	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%
R&M % of Property Plant & Equipment	20(1)(vi)	13	1.2%	1.7%	2.1%	3.0%	2.0%	1.9%	3.4%	3.3%	3.1%	3.0%
Asset renew al % of capital budget	20(1)(vi)	14	2.3%	13.3%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%

1.13.5.1 Cash/cash equivalent position

The municipality forecast cash position was discussed as part of the budgeted cash flow statement. A 'negative' cash position, for 2020/21 and 2022/23 year of the MTREF has been discussed and these funds are not cash-backing and do not meet the requirements to the working capital.

1.13.5.2 Cash plus investments less application of funds

The purpose of this measure is to understand how the municipality has applied the available cash and investments as identified in the budgeted cash flow statement. The detail reconciliation of the cash backed reserves/surpluses is contained in Table 25, on page 25.

1.13.5.3 Monthly average payments covered by cash or cash equivalents

The purpose of this measure is to understand the level of financial risk should the municipality be under stress from a collection and cash in-flow perspective. Regardless of the annual cash position an evaluation should be made of the ability of the municipality to meet monthly payments as and when they fall due.

Surplus/deficit excluding depreciation offsets

The main purpose of this measure is to understand if the revenue levels are sufficient to conclude that the community is making a sufficient contribution for the municipal resources consumed each year. An 'adjusted' surplus/deficit is achieved by offsetting the amount of depreciation related to externally funded assets. Municipalities need to assess the result of this calculation taking into consideration its own circumstances and levels of backlogs.

It needs to be noted that a surplus does not necessarily mean that the budget is funded from a cash flow perspective and the first two measures in the table are therefore critical.

1.13.5.4 Property Rates/service charge revenue as a percentage increase less macro inflation target

The purpose of this measure is to understand whether the municipality is contributing appropriately to the achievement of national inflation targets. This measure is based on the increase in 'revenue', which will include both the change in the tariff as well as any assumption about real growth such as new property development, services consumption growth etc.

1.13.5.5 Cash receipts as a percentage of ratepayer and other revenue

This factor is a macro measure of the rate at which funds are 'collected'. This measure is intended to analyse the underlying assumed collection rate for the MTREF to determine the relevance and credibility of the budget assumptions contained in the budget.

1.13.5.6 Debt impairment expense as a percentage of billable revenue

This factor measures whether the provision for debt impairment is being adequately funded and is based on the underlying assumption that the provision for debt impairment (doubtful and bad debts) has to be increased to offset under-collection of billed revenues.

1.13.5.7 Capital payments percentage of capital expenditure

The purpose of this measure is to determine whether the timing of payments has been taken into consideration when forecasting the cash position.

Borrowing as a percentage of capital expenditure (excluding transfers, grants and contributions)

All longterm laons were redeemed.

1.13.5.8 Transfers/grants revenue as a percentage of Government transfers/grants available

The purpose of this measurement is mainly to ensure that all available transfers from national and provincial government have been budgeted for. A percentage less than 100 per cent could indicate that not all grants as contained in the Division of Revenue Act (DoRA) have been budgeted for.

1.13.5.9 Consumer debtors change (Current and Non-current)

The purpose of these measures are to ascertain whether budgeted reductions in outstanding debtors are realistic. There are 2 measures shown for this factor; the change in current debtors and the change in long term receivables.

1.13.5.10 Repairs and maintenance expenditure level

This measure must be considered important within the context of the funding measures criteria because a trend that indicates insufficient funds are being committed to asset repair could also indicate that the overall budget is not credible and/or sustainable in the medium to long term because the revenue budget is not being protected.

1.13.5.11 Asset renewal/rehabilitation expenditure level

This measure has a similar objective to aforementioned objective relating to repairs and maintenance. A requirement of the detailed capital budget (since MFMA Circular 28 which was issued in December 2005) is to categorise each capital project as a new asset or a renewal/rehabilitation project. Further details in this regard are contained in Table 59 MBRR SA34b on page 89.

1.14 Expenditure on grants and reconciliations of unspent funds

Table 45 MBRR SA19 - Expenditure on transfers and grant programmes

NC067 Khai-Ma - Supporting Table SA19 Expenditure on transfers and grant programme										
Description	Ref	2016/17	2017/18	2018/19	Current Year 2019/20			2020/21 Medium Term Revenue & Expenditure Framework		
		Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2020/21	Budget Year +1 2021/22	Budget Year +2 2022/23
R thousand										
EXPENDITURE:	1									
Operating expenditure of Transfers and Grants										
National Government:		17 925	18 291	21 367	23 402	23 037	23 037	25 118	26 003	27 485
Local Government Equitable Share		15 552	16 391	17 394	18 953	18 953	18 953	20 307	21 858	23 315
Local Government Financial Management Grant		1 825	1 900	1 970	2 435	2 435	2 435	2 800	3 100	3 100
Municipal Infrastructure Grant		–	–	1 002	1 014	649	649	1 011	1 045	1 070
Expanded Public Works Programme		–	–	1 000	1 000	1 000	1 000	1 000	–	–
Integrated National Electrification Programme		–	–	–	–	–	–	–	–	–
Municipal Water Infrastructure Grant		–	–	–	–	–	–	–	–	–
Municipal Systems Improvement Grant		548	–	–	–	–	–	–	–	–
Provincial Government:		2 134	1 715	708	708	708	708	–	–	–
Libraries, Archives and Museums - Library Services		1 134	813	708	708	708	708	–	–	–
Expanded Public Works Programme		1 000	903	–	–	–	–	–	–	–
District Municipality:		–	–	–	–	–	–	–	–	–
Northern Cape - DC 06 - Namakwa		–	–	–	–	–	–	–	–	–
Other grant providers:		–	76	50	–	3 837	3 837	–	–	–
Construction, Education and Training SETA		–	76	–	–	–	–	–	–	–
National Treasury (Auditor-General)		–	–	–	–	3 066	3 066	–	–	–
Vedanta Black Mountain		–	–	50	–	772	772	–	–	–
Total operating expenditure of Transfers and Grants		20 059	20 083	22 125	24 110	27 582	27 582	25 118	26 003	27 485
Capital expenditure of Transfers and Grants										
National Government:		6 586	17 556	12 862	10 079	5 218	5 218	6 742	18 466	17 130
Municipal Infrastructure Grant		6 586	12 587	6 710	6 759	3 867	3 867	6 742	6 966	7 130
Integrated National Electrification Programme		–	983	1 071	1 920	894	894	–	1 500	5 000
Municipal Water Infrastructure Grant		–	3 986	5 082	1 400	–	–	–	10 000	5 000
Sport		–	–	–	–	458	458	–	–	–
Provincial Government:		–	–	–	–	–	–	–	–	–
COGHTA		–	–	–	–	–	–	–	–	–
District Municipality:		–	–	–	–	–	–	–	–	–
Northern Cape - DC 06 - Namakwa		–	–	–	–	–	–	–	–	–
Other grant providers:		–	–	–	–	–	–	–	–	–
Construction, Education and Training SETA		–	–	–	–	–	–	–	–	–
Vedanta Black Mountain		–	–	–	–	–	–	–	–	–
Total capital expenditure of Transfers and Grants		6 586	17 556	12 862	10 079	5 218	5 218	6 742	18 466	17 130
TOTAL EXPENDITURE OF TRANSFERS AND GRANTS		26 645	37 639	34 987	34 189	32 800	32 800	31 860	44 469	44 615

Table 46 MBRR SA 20 - Reconciliation between of transfers, grant receipts and unspent funds

NC067 Khai-Ma - Supporting Table SA20 Reconciliation of transfers, grant receipts and unspent funds										
Description	Ref	2016/17	2017/18	2018/19	Current Year 2019/20			2020/21 Medium Term Revenue & Expenditure Framework		
		Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2020/21	Budget Year +1 2021/22	Budget Year +2 2022/23
R thousand										
Operating transfers and grants:	1,3									
National Government:										
Balance unspent at beginning of the year		–	–	–	–	–	–	–	–	–
Current year receipts		17 925	18 291	21 367	23 402	23 037	23 037	25 118	26 003	27 485
Conditions met - transferred to revenue		17 925	18 291	21 367	23 402	23 037	23 037	25 118	26 003	27 485
Conditions still to be met - transferred to liabilities		–	–	–	–	–	–	–	–	–
Provincial Government:										
Balance unspent at beginning of the year		–	–	–	–	–	–	–	–	–
Current year receipts		2 134	1 715	708	708	708	708	–	–	–
Conditions met - transferred to revenue		2 134	1 715	708	708	708	708	–	–	–
Conditions still to be met - transferred to liabilities		–	–	–	–	–	–	–	–	–
District Municipality:										
Balance unspent at beginning of the year		–	–	–	–	–	–	–	–	–
Current year receipts		–	–	–	–	–	–	–	–	–
Conditions met - transferred to revenue		–	–	–	–	–	–	–	–	–
Conditions still to be met - transferred to liabilities		–	–	–	–	–	–	–	–	–
Other grant providers:										
Balance unspent at beginning of the year		–	–	–	–	–	–	–	–	–
Current year receipts		–	76	50	–	3 837	3 837	–	–	–
Conditions met - transferred to revenue		–	76	50	–	3 837	3 837	–	–	–
Conditions still to be met - transferred to liabilities		–	–	–	–	–	–	–	–	–
Total operating transfers and grants revenue		20 059	20 083	22 125	24 110	27 582	27 582	25 118	26 003	27 485
Total operating transfers and grants - CTBM	2	–	–	–	–	–	–	–	–	–
Capital transfers and grants:	1,3									
National Government:										
Balance unspent at beginning of the year		–	–	–	–	(512)	(512)	–	–	–
Current year receipts		6 586	17 556	12 862	10 079	5 218	5 218	6 742	18 466	17 130
Conditions met - transferred to revenue		5 872	15 124	12 862	10 079	4 706	4 706	6 742	18 466	17 130
Conditions still to be met - transferred to liabilities		715	2 433	–	–	–	–	–	–	–
Provincial Government:										
Balance unspent at beginning of the year		–	–	–	–	–	–	–	–	–
Current year receipts		–	–	–	–	–	–	–	–	–
Conditions met - transferred to revenue		–	–	–	–	–	–	–	–	–
Conditions still to be met - transferred to liabilities		–	–	–	–	–	–	–	–	–
District Municipality:										
Balance unspent at beginning of the year		–	–	–	–	–	–	–	–	–
Current year receipts		–	–	–	–	–	–	–	–	–
Conditions met - transferred to revenue		–	–	–	–	–	–	–	–	–
Conditions still to be met - transferred to liabilities		–	–	–	–	–	–	–	–	–
Other grant providers:										
Balance unspent at beginning of the year		–	–	–	–	–	–	–	–	–
Current year receipts		–	–	–	–	–	–	–	–	–
Conditions met - transferred to revenue		–	–	–	–	–	–	–	–	–
Conditions still to be met - transferred to liabilities		–	–	–	–	–	–	–	–	–
Total capital transfers and grants revenue		5 872	15 124	12 862	10 079	4 706	4 706	6 742	18 466	17 130
Total capital transfers and grants - CTBM	2	715	2 433	–	–	–	–	–	–	–
TOTAL TRANSFERS AND GRANTS REVENUE		25 931	35 207	34 987	34 189	32 288	32 288	31 860	44 469	44 615
TOTAL TRANSFERS AND GRANTS - CTBM		715	2 433	–	–	–	–	–	–	–

1.15 Councillor and employee benefits

Table 47 MBRR SA22 - Summary of councillor and staff benefits

NC067 Khai-Ma - Supporting Table SA22 Summary councillor and staff benefits										
Summary of Employee and Councillor remuneration	Ref	2016/17	2017/18	2018/19	Current Year 2019/20			2020/21 Medium Term Revenue & Expenditure Framework		
R thousand		Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2020/21	Budget Year +1 2021/22	Budget Year +2 2022/23
		A	B	C	D	E	F	G	H	I
Councillors (Political Office Bearers plus Other)										
Basic Salaries and Wages	1	1 480	1 566	1 656	1 803	1 803	1 803	2 004	2 121	2 245
Pension and UIF Contributions		–	122	83	135	135	135	–	–	–
Medical Aid Contributions		–	104	–	284	50	50	–	–	–
Motor Vehicle Allowance		493	188	194	207	207	207	173	183	193
Cellphone Allowance		144	311	303	287	287	287	307	325	344
Housing Allowances		–	–	–	–	–	–	–	–	–
Other benefits and allowances		97	372	358	394	394	394	328	347	367
Sub Total - Councillors	4	2 214	2 662	2 594	3 110	2 876	2 876	2 811	2 976	3 150
% increase			20.2%	(2.5%)	19.9%	(7.5%)	–	(2.3%)	5.9%	5.9%
Senior Managers of the Municipality										
Basic Salaries and Wages	2	1 459	2 038	1 410	2 744	2 583	2 583	3 065	3 245	3 434
Pension and UIF Contributions		63	102	70	312	125	125	89	94	99
Medical Aid Contributions		46	48	49	161	63	63	53	56	59
Overtime		–	–	–	–	–	–	–	–	–
Performance Bonus		28	42	32	134	34	34	42	38	40
Motor Vehicle Allowance	3	122	135	121	390	156	156	122	129	137
Cellphone Allowance	3	18	27	18	29	19	19	35	37	40
Housing Allowances	3	–	24	–	–	–	–	–	–	–
Other benefits and allowances	3	28	197	84	79	79	79	161	152	161
Payments in lieu of leave		–	–	–	–	–	–	–	–	–
Long service awards		–	–	–	–	–	–	–	–	–
Post-retirement benefit obligations	6	–	–	–	–	–	–	–	–	–
Sub Total - Senior Managers of Municipality	4	1 763	2 614	1 784	3 850	3 059	3 059	3 567	3 751	3 970
% increase			48.2%	(31.7%)	115.8%	(20.5%)	–	16.6%	5.2%	5.9%
Other Municipal Staff										
Basic Salaries and Wages		12 614	11 109	12 749	17 546	15 792	15 792	18 187	19 251	20 377
Pension and UIF Contributions		1 395	2 149	2 002	2 886	2 431	2 431	2 823	2 988	3 163
Medical Aid Contributions		230	927	347	1 885	1 169	1 169	885	937	991
Overtime		986	1 613	1 566	2 641	1 513	1 513	2 146	2 271	2 404
Performance Bonus		721	972	1 108	1 278	1 090	1 090	1 323	1 400	1 482
Motor Vehicle Allowance	3	181	193	108	188	184	184	188	199	211
Cellphone Allowance	3	274	8	6	6	6	6	6	6	6
Housing Allowances	3	60	56	69	92	92	92	67	71	76
Other benefits and allowances	3	99	429	411	607	462	462	613	649	687
Payments in lieu of leave		660	178	269	179	179	179	190	201	213
Long service awards		66	70	–	25	65	65	70	74	78
Post-retirement benefit obligations	6	249	791	1 146	1 092	946	946	1 235	1 068	1 144
Sub Total - Other Municipal Staff	4	17 536	18 495	19 781	28 424	23 928	23 928	27 732	29 115	30 832
% increase			5.5%	7.0%	43.7%	(15.8%)	–	15.9%	5.0%	5.9%
Total Parent Municipality		21 514	23 770	24 159	35 384	29 864	29 864	34 111	35 841	37 953
			10.5%	1.6%	46.5%	(15.6%)	–	14.2%	5.1%	5.9%
TOTAL SALARY, ALLOWANCES & BENEFITS		21 514	23 770	24 159	35 384	29 864	29 864	34 111	35 841	37 953
% increase	4		10.5%	1.6%	46.5%	(15.6%)	–	14.2%	5.1%	5.9%
TOTAL MANAGERS AND STAFF	5,7	19 300	21 109	21 565	32 274	26 988	26 988	31 299	32 865	34 803

Table 48 MBRR SA23 - Salaries, allowances and benefits (political office bearers/councillors/ senior managers)

NC067 Khai-Ma - Supporting Table SA23 Salaries, allowances & benefits (political office bearers/councillors/senior managers)								
Disclosure of Salaries, Allowances & Benefits 1.	Ref	No.	Salary	Contribution	Allowances	Performance Bonuses	In-kind benefits	Total Package
Rand per annum				1.				2.
Councillors	3							
Speaker	4		–	–	–			–
Chief Whip			–	–	–			–
Executive Mayor			693 670	–	213 380			907 050
Deputy Executive Mayor			–	–	–			–
Executive Committee			–	–	–			–
Total for all other councillors			1 310 400	–	594 000			1 904 400
Total Councillors	8	–	2 004 070	–	807 380			2 811 450
Senior Managers of the Municipality	5							
Municipal Manager (MM)			1 210 770	–	96 760	–		1 307 530
Chief Finance Officer			432 930	132 790	163 783	–		729 503
Corporate Manager			836 170	7 600	58 540	–		902 310
Infrastructure Manager			836 170	7 600	58 540	–		902 310
								–
Total Senior Managers of the Municipality	8,10	–	3 316 040	147 990	377 623	–		3 841 653
TOTAL COST OF COUNCILLOR, DIRECTOR and EXECUTIVE REMUNERATION	10	–	5 320 110	147 990	1 185 003	–		6 653 103

Table 49 MBRR SA24 – Summary of personnel numbers

NC067 Khai-Ma - Supporting Table SA24 Summary of personnel numbers											
Summary of Personnel Numbers		Ref	2018/19			Current Year 2019/20			Budget Year 2020/21		
Number		1,2	Positions	Permanent employees	Contract employees	Positions	Permanent employees	Contract employees	Positions	Permanent employees	Contract employees
Municipal Council and Boards of Municipal Entities											
Councillors (Political Office Bearers plus Other Councillors)			7	7	–	7	7	–	7	7	–
Board Members of municipal entities	4		–	–	–	–	–	–	–	–	–
Municipal employees											
Municipal Manager and Senior Managers	3		4	4	–	4	4	–	4	4	–
Other Managers	7		–	–	–	–	–	–	–	–	–
Professionals			6	6	–	6	10	–	8	8	–
Finance			2	6	–	2	6	–	4	4	–
Spatial/town planning			–	–	–	–	–	–	–	–	–
Information Technology			–	–	–	–	–	–	–	–	–
Roads			–	–	–	–	–	–	–	–	–
Electricity			–	–	–	–	–	–	–	–	–
Water			–	–	–	–	–	–	–	–	–
Sanitation			–	–	–	–	–	–	–	–	–
Refuse			–	–	–	–	–	–	–	–	–
Other			4	–	–	4	4	–	4	4	–
Technicians			1	1	–	1	1	–	2	2	–
Finance			–	–	–	–	–	–	–	–	–
Spatial/town planning			–	–	–	–	–	–	–	–	–
Information Technology			–	–	–	–	–	–	–	–	–
Roads			–	–	–	–	–	–	–	–	–
Electricity			1	1	–	1	1	–	2	2	–
Water			–	–	–	–	–	–	–	–	–
Sanitation			–	–	–	–	–	–	–	–	–
Refuse			–	–	–	–	–	–	–	–	–
Other			–	–	–	–	–	–	–	–	–
Clerks (Clerical and administrative)			35	35	–	38	38	–	38	38	–
Service and sales workers			–	–	–	–	–	–	–	–	–
Skilled agricultural and fishery workers			–	–	–	–	–	–	–	–	–
Craft and related trades			–	–	–	–	–	–	–	–	–
Plant and Machine Operators			11	11	–	–	–	–	–	–	–
Elementary Occupations			35	35	–	35	35	–	36	36	–
TOTAL PERSONNEL NUMBERS	9		99	99	–	91	95	–	95	95	–
% increase			–	–	–	(8.1%)	(4.0%)	–	4.4%	–	–
Total municipal employees headcount	6, 10		99	99	–	91	95	–	95	95	–
Finance personnel headcount	8, 10		14	14	–	13	13	–	13	13	–
Human Resources personnel headcount	8, 10		85	85	–	78	82	–	82	82	–

1.16 Monthly targets for revenue, expenditure and cash flow

NC067 Khai-Ma - Supporting Table SA27 Budgeted monthly revenue and expenditure (functional classification)																
Description	Ref	Budget Year 2020/21												Medium Term Revenue and Expenditure Framework		
		July	August	Sept.	October	November	December	January	February	March	April	May	June	Budget Year 2020/21	Budget Year +1 2021/22	Budget Year +2 2022/23
Revenue - Functional																
<i>Governance and administration</i>		2 930	2 930	2 930	2 930	2 930	2 930	2 930	2 930	2 930	2 930	2 930	2 930	35 163	37 575	39 574
Executive and council		1 692	1 692	1 692	1 692	1 692	1 692	1 692	1 692	1 692	1 692	1 692	1 692	20 307	21 858	23 315
Finance and administration		1 238	1 238	1 238	1 238	1 238	1 238	1 238	1 238	1 238	1 238	1 238	1 238	14 856	15 717	16 259
Internal audit		—	—	—	—	—	—	—	—	—	—	—	—	—	—	—
<i>Community and public safety</i>		(36)	(36)	(36)	(36)	(36)	(36)	(36)	(36)	(36)	(36)	(36)	(36)	(482)	(448)	(468)
Community and social services		(13)	(13)	(13)	(13)	(13)	(13)	(13)	(13)	(13)	(13)	(13)	(13)	(161)	(168)	(176)
Sport and recreation		(22)	(22)	(22)	(22)	(22)	(22)	(22)	(22)	(22)	(22)	(22)	(22)	(267)	(279)	(292)
Public safety		—	—	—	—	—	—	—	—	—	—	—	—	—	—	—
Housing		—	—	—	—	—	—	—	—	—	—	—	—	—	—	—
Health		—	—	—	—	—	—	—	—	—	—	—	—	—	—	—
<i>Economic and environmental services</i>		(28)	(28)	(28)	(28)	(28)	(28)	(28)	(28)	(28)	(28)	(28)	(28)	(339)	(353)	(378)
Planning and development		—	—	—	—	—	—	—	—	—	—	—	—	—	—	—
Road transport		(28)	(28)	(28)	(28)	(28)	(28)	(28)	(28)	(28)	(28)	(28)	(28)	(339)	(353)	(378)
Environmental protection		—	—	—	—	—	—	—	—	—	—	—	—	—	—	—
<i>Trading services</i>		2 655	2 655	2 655	2 655	2 655	2 655	2 655	2 655	2 655	2 655	2 655	2 655	31 863	43 745	43 369
Energy sources		907	907	907	907	907	907	907	907	907	907	907	907	10 884	12 919	16 938
Water management		1 531	1 531	1 531	1 531	1 531	1 531	1 531	1 531	1 531	1 531	1 531	1 531	18 368	29 138	24 696
Waste water management		124	124	124	124	124	124	124	124	124	124	124	124	1 491	516	523
Waste management		93	93	93	93	93	93	93	93	93	93	93	93	1 120	1 172	1 212
<i>Other</i>		—	—	—	—	—	—	—	—	—	—	—	—	—	—	—
Total Revenue - Functional		5 522	5 522	5 522	5 522	5 522	5 522	5 522	5 522	5 522	5 522	5 522	5 522	66 259	80 519	82 096
Expenditure - Functional																
<i>Governance and administration</i>		2 709	2 709	2 709	2 709	2 709	2 709	2 709	2 709	2 709	2 709	2 709	2 709	32 513	33 892	35 681
Executive and council		736	736	736	736	736	736	736	736	736	736	736	736	8 826	9 310	9 822
Finance and administration		1 974	1 974	1 974	1 974	1 974	1 974	1 974	1 974	1 974	1 974	1 974	1 974	23 687	24 582	25 859
Internal audit		—	—	—	—	—	—	—	—	—	—	—	—	—	—	—
<i>Community and public safety</i>		240	240	240	240	240	240	240	240	240	240	240	240	2 882	2 950	3 089
Community and social services		175	175	175	175	175	175	175	175	175	175	175	175	2 096	2 147	2 268
Sport and recreation		65	65	65	65	65	65	65	65	65	65	65	65	786	803	821
Public safety		—	—	—	—	—	—	—	—	—	—	—	—	—	—	—
Housing		—	—	—	—	—	—	—	—	—	—	—	—	—	—	—
Health		—	—	—	—	—	—	—	—	—	—	—	—	—	—	—
<i>Economic and environmental services</i>		245	245	245	245	245	245	245	245	245	245	245	245	2 942	2 442	2 576
Planning and development		66	66	66	66	66	66	66	66	66	66	66	66	795	839	885
Road transport		178	178	178	178	178	178	178	178	178	178	178	178	2 147	1 604	1 691
Environmental protection		—	—	—	—	—	—	—	—	—	—	—	—	—	—	—
<i>Trading services</i>		3 457	3 457	3 457	3 457	3 457	3 457	3 457	3 457	3 457	3 457	3 457	3 492	41 522	42 562	45 478
Energy sources		1 381	1 381	1 381	1 381	1 381	1 381	1 381	1 381	1 381	1 381	1 381	1 381	16 574	16 481	17 721
Water management		1 112	1 112	1 112	1 112	1 112	1 112	1 112	1 112	1 112	1 112	1 112	1 130	13 367	14 675	15 809
Waste water management		414	414	414	414	414	414	414	414	414	414	414	431	4 982	5 227	5 504
Waste management		550	550	550	550	550	550	550	550	550	550	550	550	6 599	6 179	6 444
<i>Other</i>		—	—	—	—	—	—	—	—	—	—	—	—	—	—	—
Total Expenditure - Functional		6 651	6 651	6 651	6 651	6 651	6 651	6 651	6 651	6 651	6 651	6 651	6 692	79 859	81 847	86 824
Surplus/(Deficit) before assoc.		(1 130)	(1 130)	(1 130)	(1 130)	(1 130)	(1 130)	(1 130)	(1 130)	(1 130)	(1 130)	(1 130)	(1 171)	(13 600)	(1 328)	(4 728)
Share of surplus/ (deficit) of associate		—	—	—	—	—	—	—	—	—	—	—	—	—	—	—
Surplus/(Deficit)	1	(1 130)	(1 130)	(1 130)	(1 130)	(1 130)	(1 130)	(1 130)	(1 130)	(1 130)	(1 130)	(1 130)	(1 171)	(13 600)	(1 328)	(4 728)

Table 50 MBRR SA25 - Budgeted monthly revenue and expenditure

NC067 Khai-Ma - Supporting Table SA25 Budgeted monthly revenue and expenditure																
Description	Ref	Budget Year 2020/21												Medium Term Revenue and Expenditure Framework		
R thousand		July	August	Sept.	October	November	December	January	February	March	April	May	June	Budget Year 2020/21	Budget Year +1 2021/22	Budget Year +2 2022/23
Revenue By Source																
Property rates		757	757	757	757	757	757	757	757	757	757	757	757	9 079	9 496	9 933
Service charges - electricity revenue		853	853	853	853	853	853	853	853	853	853	853	853	10 239	10 710	11 203
Service charges - water revenue		645	645	645	645	645	645	645	645	645	645	645	645	7 736	8 092	8 464
Service charges - sanitation revenue		116	116	116	116	116	116	116	116	116	116	116	116	1 387	1 451	1 518
Service charges - refuse revenue		106	106	106	106	106	106	106	106	106	106	106	106	1 273	1 332	1 393
Rental of facilities and equipment		17	17	17	17	17	17	17	17	17	17	17	17	205	217	217
Interest earned - external investments		18	18	18	18	18	18	18	18	18	18	18	18	211	222	222
Interest earned - outstanding debtors		338	338	338	338	338	338	338	338	338	338	338	338	4 060	4 311	4 311
Dividends received		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Fines, penalties and forfeits		7	7	7	7	7	7	7	7	7	7	7	7	86	91	91
Licences and permits		7	7	7	7	7	7	7	7	7	7	7	7	90	95	95
Agency services		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Transfers and subsidies		2 093	2 093	2 093	2 093	2 093	2 093	2 093	2 093	2 093	2 093	2 093	2 093	25 118	26 003	27 485
Other revenue		3	3	3	3	3	3	3	3	3	3	3	3	32	33	35
Gains		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Total Revenue (excluding capital transfers and contributions)		4 960	4 960	4 960	4 960	4 960	4 960	4 960	4 960	4 960	4 960	4 960	4 960	59 517	62 053	64 966
Expenditure By Type																
Employee related costs		2 605	2 605	2 605	2 605	2 605	2 605	2 605	2 605	2 605	2 605	2 605	2 646	31 299	32 865	34 803
Remuneration of councillors		234	234	234	234	234	234	234	234	234	234	234	234	2 811	2 976	3 150
Debt impairment		517	517	517	517	517	517	517	517	517	517	517	517	6 199	6 080	6 267
Depreciation & asset impairment		404	404	404	404	404	404	404	404	404	404	404	404	4 848	4 548	4 890
Finance charges		277	277	277	277	277	277	277	277	277	277	277	277	3 327	2 253	2 309
Bulk purchases		1 276	1 276	1 276	1 276	1 276	1 276	1 276	1 276	1 276	1 276	1 276	1 276	15 314	16 327	17 834
Other materials		341	341	341	341	341	341	341	341	341	341	341	342	4 098	4 286	4 483
Contracted services		311	311	311	311	311	311	311	311	311	311	311	311	3 728	3 899	4 079
Transfers and subsidies		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Other expenditure		686	686	686	686	686	686	686	686	686	686	686	686	8 234	8 613	9 009
Losses		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Total Expenditure		6 651	6 651	6 651	6 651	6 651	6 651	6 651	6 651	6 651	6 651	6 651	6 692	79 859	81 847	86 824
Surplus/(Deficit)		(1 692)	(1 692)	(1 692)	(1 692)	(1 692)	(1 692)	(1 692)	(1 692)	(1 692)	(1 692)	(1 692)	(1 733)	(20 342)	(19 794)	(21 858)
Transfers and subsidies - capital (monetary allocations) (National / Provincial and District)		562	562	562	562	562	562	562	562	562	562	562	562	6 742	18 466	17 130
Transfers and subsidies - capital (monetary allocations) (National / Provincial Departmental Agencies, Households, Non-profit Institutions, Private Enterprises, Public Corporations, Higher Educational Institutions)		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Transfers and subsidies - capital (in-kind - all)		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Surplus/(Deficit) after capital transfers & contributions		(1 130)	(1 130)	(1 130)	(1 130)	(1 130)	(1 130)	(1 130)	(1 130)	(1 130)	(1 130)	(1 130)	(1 171)	(13 600)	(1 328)	(4 728)
Taxation		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Attributable to minorities		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Share of surplus/ (deficit) of associate		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Surplus/(Deficit)	1	(1 130)	(1 130)	(1 130)	(1 130)	(1 130)	(1 130)	(1 130)	(1 130)	(1 130)	(1 130)	(1 130)	(1 171)	(13 600)	(1 328)	(4 728)

Table 51 MBRR SA26 - Budgeted monthly revenue and expenditure (municipal vote)

NC067 Khai-Ma - Supporting Table SA26 Budgeted monthly revenue and expenditure (municipal vote)																
Description	Ref	Budget Year 2020/21												Medium Term Revenue and Expenditure Framework		
		July	August	Sept.	October	November	December	January	February	March	April	May	June	Budget Year 2020/21	Budget Year +1 2021/22	Budget Year +2 2022/23
R thousand																
Revenue by Vote																
Vote 1 - Municipal Manager		1 692	1 692	1 692	1 692	1 692	1 692	1 692	1 692	1 692	1 692	1 692	1 692	20 307	21 858	23 315
Vote 2 - Finance		1 055	1 055	1 055	1 055	1 055	1 055	1 055	1 055	1 055	1 055	1 055	1 055	12 658	13 417	13 855
Vote 3 - Corporate Services		187	187	187	187	187	187	187	187	187	187	187	187	2 249	2 354	2 452
Vote 4 - Infrastructure Development		2 587	2 587	2 587	2 587	2 587	2 587	2 587	2 587	2 587	2 587	2 587	2 587	31 045	42 890	42 475
Vote 5 - Economic Dev elopment		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Total Revenue by Vote		5 522	5 522	5 522	5 522	5 522	5 522	5 522	5 522	5 522	5 522	5 522	5 522	66 259	80 519	82 096
Expenditure by Vote to be appropriated																
Vote 1 - Municipal Manager		736	736	736	736	736	736	736	736	736	736	736	736	8 826	9 310	9 822
Vote 2 - Finance		934	934	934	934	934	934	934	934	934	934	934	934	11 209	11 763	12 368
Vote 3 - Corporate Services		1 273	1 273	1 273	1 273	1 273	1 273	1 273	1 273	1 273	1 273	1 273	1 273	15 273	15 723	16 580
Vote 4 - Infrastructure Development		3 643	3 643	3 643	3 643	3 643	3 643	3 643	3 643	3 643	3 643	3 643	3 684	43 756	44 212	47 169
Vote 5 - Economic Dev elopment		66	66	66	66	66	66	66	66	66	66	66	66	795	839	885
Total Expenditure by Vote		6 651	6 651	6 651	6 651	6 651	6 651	6 651	6 651	6 651	6 651	6 651	6 692	79 859	81 847	86 824
Surplus/(Deficit) before assoc.		(1 130)	(1 130)	(1 130)	(1 130)	(1 130)	(1 130)	(1 130)	(1 130)	(1 130)	(1 130)	(1 130)	(1 171)	(13 600)	(1 328)	(4 728)
Taxation		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Attributable to minorities		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Share of surplus/ (deficit) of associate		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Surplus/(Deficit)	1	(1 130)	(1 130)	(1 130)	(1 130)	(1 130)	(1 130)	(1 130)	(1 130)	(1 130)	(1 130)	(1 130)	(1 171)	(13 600)	(1 328)	(4 728)

Table 52 MBRR SA27 - Budgeted monthly revenue and expenditure (standard classification)

NC067 Khai-Ma - Supporting Table SA27 Budgeted monthly revenue and expenditure (functional classification)																
Description		Ref	Budget Year 2020/21											Medium Term Revenue and Expenditure Framework		
R thousand	July		August	Sept.	October	November	December	January	February	March	April	May	June	Budget Year 2020/21	Budget Year +1 2021/22	Budget Year +2 2022/23
Revenue - Functional																
<i>Governance and administration</i>			2 930	2 930	2 930	2 930	2 930	2 930	2 930	2 930	2 930	2 930	2 930	35 163	37 575	39 574
Executive and council			1 692	1 692	1 692	1 692	1 692	1 692	1 692	1 692	1 692	1 692	1 692	20 307	21 858	23 315
Finance and administration			1 238	1 238	1 238	1 238	1 238	1 238	1 238	1 238	1 238	1 238	1 238	14 856	15 717	16 259
Internal audit			-	-	-	-	-	-	-	-	-	-	-	-	-	-
<i>Community and public safety</i>			(36)	(36)	(36)	(36)	(36)	(36)	(36)	(36)	(36)	(36)	(36)	(428)	(448)	(468)
Community and social services			(13)	(13)	(13)	(13)	(13)	(13)	(13)	(13)	(13)	(13)	(13)	(161)	(168)	(176)
Sport and recreation			(22)	(22)	(22)	(22)	(22)	(22)	(22)	(22)	(22)	(22)	(22)	(267)	(279)	(292)
Public safety			-	-	-	-	-	-	-	-	-	-	-	-	-	-
Housing			-	-	-	-	-	-	-	-	-	-	-	-	-	-
Health			-	-	-	-	-	-	-	-	-	-	-	-	-	-
<i>Economic and environmental services</i>			(28)	(28)	(28)	(28)	(28)	(28)	(28)	(28)	(28)	(28)	(28)	(339)	(353)	(378)
Planning and development			-	-	-	-	-	-	-	-	-	-	-	-	-	-
Road transport			(28)	(28)	(28)	(28)	(28)	(28)	(28)	(28)	(28)	(28)	(28)	(339)	(353)	(378)
Environmental protection			-	-	-	-	-	-	-	-	-	-	-	-	-	-
<i>Trading services</i>			2 655	2 655	2 655	2 655	2 655	2 655	2 655	2 655	2 655	2 655	2 655	31 863	43 745	43 369
Energy sources			907	907	907	907	907	907	907	907	907	907	907	10 884	12 919	16 938
Water management			1 531	1 531	1 531	1 531	1 531	1 531	1 531	1 531	1 531	1 531	1 531	18 368	29 138	24 696
Waste water management			124	124	124	124	124	124	124	124	124	124	124	1 491	516	523
Waste management			93	93	93	93	93	93	93	93	93	93	93	1 120	1 172	1 212
<i>Other</i>			-	-	-	-	-	-	-	-	-	-	-	-	-	-
Total Revenue - Functional			5 522	5 522	5 522	5 522	5 522	5 522	5 522	5 522	5 522	5 522	5 522	66 259	80 519	82 096
Expenditure - Functional																
<i>Governance and administration</i>			2 709	2 709	2 709	2 709	2 709	2 709	2 709	2 709	2 709	2 709	2 709	32 513	33 892	35 681
Executive and council			736	736	736	736	736	736	736	736	736	736	736	8 826	9 310	9 822
Finance and administration			1 974	1 974	1 974	1 974	1 974	1 974	1 974	1 974	1 974	1 974	1 974	23 687	24 582	25 859
Internal audit			-	-	-	-	-	-	-	-	-	-	-	-	-	-
<i>Community and public safety</i>			240	240	240	240	240	240	240	240	240	240	240	2 882	2 950	3 089
Community and social services			175	175	175	175	175	175	175	175	175	175	175	2 096	2 147	2 268
Sport and recreation			65	65	65	65	65	65	65	65	65	65	65	786	803	821
Public safety			-	-	-	-	-	-	-	-	-	-	-	-	-	-
Housing			-	-	-	-	-	-	-	-	-	-	-	-	-	-
Health			-	-	-	-	-	-	-	-	-	-	-	-	-	-
<i>Economic and environmental services</i>			245	245	245	245	245	245	245	245	245	245	251	2 942	2 442	2 576
Planning and development			66	66	66	66	66	66	66	66	66	66	66	795	839	885
Road transport			178	178	178	178	178	178	178	178	178	178	184	2 147	1 604	1 691
Environmental protection			-	-	-	-	-	-	-	-	-	-	-	-	-	-
<i>Trading services</i>			3 457	3 457	3 457	3 457	3 457	3 457	3 457	3 457	3 457	3 457	3 492	41 522	42 562	45 478
Energy sources			1 381	1 381	1 381	1 381	1 381	1 381	1 381	1 381	1 381	1 381	1 381	16 574	16 481	17 721
Water management			1 112	1 112	1 112	1 112	1 112	1 112	1 112	1 112	1 112	1 112	1 130	13 367	14 675	15 809
Waste water management			414	414	414	414	414	414	414	414	414	414	431	4 982	5 227	5 504
Waste management			550	550	550	550	550	550	550	550	550	550	550	6 599	6 179	6 444
<i>Other</i>			-	-	-	-	-	-	-	-	-	-	-	-	-	-
Total Expenditure - Functional			6 651	6 651	6 651	6 651	6 651	6 651	6 651	6 651	6 651	6 651	6 692	79 859	81 847	86 824
Surplus/(Deficit) before assoc.			(1 130)	(1 130)	(1 130)	(1 130)	(1 130)	(1 130)	(1 130)	(1 130)	(1 130)	(1 130)	(1 171)	(13 600)	(1 328)	(4 728)
Share of surplus/ (deficit) of associate			-	-	-	-	-	-	-	-	-	-	-	-	-	-
Surplus/(Deficit)			1	(1 130)	(1 130)	(1 130)	(1 130)	(1 130)	(1 130)	(1 130)	(1 130)	(1 130)	(1 171)	(13 600)	(1 328)	(4 728)

Table 53 MBRR SA28 - Budgeted monthly capital expenditure (municipal vote)

NC067 Khai-Ma - Supporting Table SA28 Budgeted monthly capital expenditure (municipal vote)																
Description	Ref	Budget Year 2020/21												Medium Term Revenue and Expenditure Framework		
		July	August	Sept.	October	Nov.	Dec.	January	Feb.	March	April	May	June	Budget Year 2020/21	Budget Year +1 2021/22	Budget Year +2 2022/23
R thousand																
Multi-year expenditure to be appropriated	1															
Vote 1 - Municipal Manager		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Vote 2 - Finance		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Vote 3 - Corporate Services		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Vote 4 - Infrastructure Development		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Vote 5 - Economic Development		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Capital multi-year expenditure sub-total	2	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Single-year expenditure to be appropriated																
Vote 1 - Municipal Manager		17	17	17	17	17	17	17	17	17	17	17	17	200	-	-
Vote 2 - Finance		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Vote 3 - Corporate Services		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Vote 4 - Infrastructure Development		562	562	562	562	562	562	562	562	562	562	562	562	6 742	18 466	17 130
Vote 5 - Economic Development		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Capital single-year expenditure sub-total	2	578	578	578	578	578	578	578	578	578	578	578	578	6 942	18 466	17 130
Total Capital Expenditure	2	578	578	578	578	578	578	578	578	578	578	578	578	6 942	18 466	17 130

Table 54 MBRR SA29 - Budgeted monthly capital expenditure (standard classification)

NC067 Khai-Ma - Supporting Table SA29 Budgeted monthly capital expenditure (functional classification)																
Description	Ref	Budget Year 2020/21												Medium Term Revenue and Expenditure Framework		
		July	August	Sept.	October	Nov.	Dec.	January	Feb.	March	April	May	June	Budget Year 2020/21	Budget Year +1 2021/22	Budget Year +2 2022/23
Capital Expenditure - Functional	1															
Governance and administration		17	17	17	17	17	17	17	17	17	17	17	17	200	-	-
Executive and council		17	17	17	17	17	17	17	17	17	17	17	17	200	-	-
Finance and administration		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Internal audit		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Community and public safety		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Community and social services		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Sport and recreation		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Public safety		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Housing		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Health		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Economic and environmental services		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Planning and development		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Road transport		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Environmental protection		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Trading services		562	562	562	562	562	562	562	562	562	562	562	562	6 742	18 466	17 130
Energy sources		-	-	-	-	-	-	-	-	-	-	-	-	-	1 500	5 000
Water management		562	562	562	562	562	562	562	562	562	562	562	562	6 742	16 966	12 130
Waste water management		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Waste management		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Other		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Total Capital Expenditure - Functional	2	578	578	578	578	578	578	578	578	578	578	578	578	6 942	18 466	17 130
Funded by:																
National Government		562	562	562	562	562	562	562	562	562	562	562	562	6 742	18 466	17 130
Provincial Government		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
District Municipality		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Transfers and subsidies - capital (monetary allocations) (National / Provincial		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Departmental Agencies, Households, Non-profit Institutions, Private Enterprises, Public		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Transfers recognised - capital		562	562	562	562	562	562	562	562	562	562	562	562	6 742	18 466	17 130
Borrowing		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Internally generated funds		-	-	-	-	-	-	-	-	-	-	-	200	200	-	-
Total Capital Funding		562	562	562	562	562	562	562	562	562	562	562	762	6 942	18 466	17 130

Table 55 MBRR SA30 - Budgeted monthly cash flow

NC067 Khai-Ma - Supporting Table SA30 Budgeted monthly cash flow															
MONTHLY CASH FLOWS	Budget Year 2020/21												Medium Term Revenue and Expenditure Framework		
	July	August	Sept.	October	November	December	January	February	March	April	May	June	Budget Year 2020/21	Budget Year +1 2021/22	Budget Year +2 2022/23
R thousand															
Cash Receipts By Source													1		
Property rates	605	605	605	605	605	605	605	605	605	605	605	605	7 263	7 597	7 947
Service charges - electricity revenue	726	726	726	726	726	726	726	726	726	726	726	726	8 713	8 996	9 434
Service charges - water revenue	549	549	549	549	549	549	549	549	549	549	549	549	6 583	6 796	7 128
Service charges - sanitation revenue	98	98	98	98	98	98	98	98	98	98	98	98	1 180	1 219	1 278
Service charges - refuse revenue	90	90	90	90	90	90	90	90	90	90	90	90	1 083	1 118	1 173
Rental of facilities and equipment	15	15	15	15	15	15	15	15	15	15	15	15	175	182	182
Interest earned - external investments	18	18	18	18	18	18	18	18	18	18	18	18	211	222	222
Interest earned - outstanding debtors	288	288	288	288	288	288	288	288	288	288	288	288	3 455	3 621	3 630
Dividends received	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Fines, penalties and forfeits	7	7	7	7	7	7	7	7	7	7	7	7	86	91	91
Licences and permits	7	7	7	7	7	7	7	7	7	7	7	7	90	95	95
Agency services	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Transfers and Subsidies - Operational	2 093	2 093	2 093	2 093	2 093	2 093	2 093	2 093	2 093	2 093	2 093	2 093	25 118	26 003	27 485
Other revenue	3	3	3	3	3	3	3	3	3	3	3	3	32	33	35
Cash Receipts by Source	4 499	4 499	4 499	4 499	4 499	4 499	4 499	4 499	4 499	4 499	4 499	4 499	53 989	55 973	58 699
Other Cash Flows by Source															
Transfers and subsidies - capital (monetary allocations) (National / Provincial and District)	562	562	562	562	562	562	562	562	562	562	562	562	6 742	18 466	17 130
Transfers and subsidies - capital (monetary allocations) (National / Provincial Departmental Agencies, Households, Non-profit Institutions, Private Enterprises, Public Corporations, Higher Educational Institutions)	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Proceeds on Disposal of Fixed and Intangible Assets	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Short term loans	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Borrowing long term/refinancing	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Increase (decrease) in consumer deposits	1	1	1	1	1	1	1	1	1	1	1	1	11	16	10
Decrease (increase) in non-current receivables	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Decrease (increase) in non-current investments	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Total Cash Receipts by Source	5 062	5 062	5 062	5 062	5 062	5 062	5 062	5 062	5 062	5 062	5 062	5 062	60 741	74 455	75 839
Cash Payments by Type															
Employee related costs	2 217	2 217	2 217	2 217	2 217	2 217	2 217	2 217	2 217	2 217	2 217	2 230	26 614	26 769	27 848
Remuneration of councillors	199	199	199	199	199	199	199	199	199	199	199	199	2 391	2 424	2 521
Finance charges	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Bulk purchases - Electricity	766	766	766	766	766	766	766	766	766	766	766	766	9 196	9 266	9 914
Bulk purchases - Water & Sewer	319	319	319	319	319	319	319	319	319	319	319	319	3 826	4 032	4 357
Other materials	290	290	290	290	290	290	290	290	290	290	290	290	3 484	3 491	3 587
Contracted services	263	263	263	263	263	263	263	263	263	263	263	273	3 170	3 176	3 264
Transfers and grants - other municipalities	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Transfers and grants - other	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Other expenditure	583	583	583	583	583	583	583	583	583	583	583	583	7 002	7 015	7 209
Cash Payments by Type	4 638	4 638	4 638	4 638	4 638	4 638	4 638	4 638	4 638	4 638	4 638	4 661	55 683	56 173	58 699
Other Cash Flows/Payments by Type															
Capital assets	578	578	578	578	578	578	578	578	578	578	578	578	6 942	18 466	17 130
Repayment of borrowing	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Other Cash Flows/Payments	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Total Cash Payments by Type	5 217	5 217	5 217	5 217	5 217	5 217	5 217	5 217	5 217	5 217	5 217	5 240	62 624	74 639	75 830
NET INCREASE/(DECREASE) IN CASH HELD	(155)	(155)	(155)	(155)	(155)	(155)	(155)	(155)	(155)	(155)	(155)	(178)	(1 883)	(183)	10
Cash/cash equivalents at the month/year begin:	2 098	1 943	1 788	1 633	1 478	1 323	1 168	1 013	858	703	548	393	2 098	215	32
Cash/cash equivalents at the month/year end:	1 943	1 788	1 633	1 478	1 323	1 168	1 013	858	703	548	393	215	215	32	42

1.17 Annual budgets and SDBIPs – internal departments

1.17.1 Water Services Department –

The department is primarily responsible for the distribution of potable water within the municipal boundary, which includes the purification of raw water, maintenance of the reticulation network and implementation of the departmental capital programme.

Table 56 Water Services Department - operating revenue by source, expenditure by type and total capital expenditure

NC067 Khai-Ma - Table A3 Budgeted Financial Performance (revenue and expenditure by municipal vote)A										
Vote Description	Ref	2016/17	2017/18	2018/19	Current Year 2019/20			2020/21 Medium Term Revenue & Expenditure Framework		
R thousand		Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2020/21	Budget Year +1 2021/22	Budget Year +2 2022/23
Revenue by Vote										
4.7 - Water		10 961	22 020	17 668	17 862	20 905	20 905	18 368	29 138	24 696
Less Capital		(1 167)	(9 239)	(2 674)	(6 759)	(3 867)	(3 867)	(6 742)	(16 966)	(12 130)
		9 793	12 781	14 994	11 103	17 039	17 039	11 626	12 172	12 565
Expenditure by Vote										
Water Distribution		8 971	11 718	18 055	13 181	13 609	13 609	13 367	14 675	15 809
		823	1 062	(3 061)	(2 078)	3 430	3 430	(1 741)	(2 504)	(3 243)

Note: Municipalities would be required to undertake the aforementioned for each department/vote within the municipality.

1.18 Contracts having future budgetary implications

In terms of the municipalities Supply Chain Management Policy, no contracts are awarded beyond the medium-term revenue and expenditure framework (three years). In ensuring adherence to this contractual time frame limitation, all reports submitted to either the Bid Evaluation and Adjudication Committees must obtain formal financial comments from the Financial Management Division of the Treasury Department.

1.19 Capital expenditure details

The following three tables present details of the municipalities capital expenditure programme, firstly on new assets, then the renewal of assets and finally on the repair and maintenance of assets.

Table 57 Water Service Department – Performance objectives and Indicators

Table 58 MBRR SA 34a - Capital expenditure on new assets by asset class:

NC067 Khai-Ma - Supporting Table SA34a Capital expenditure on new assets by asset class										
Description	Ref	2016/17	2017/18	2018/19	Current Year 2019/20			2020/21 Medium Term Revenue & Expenditure Framework		
R thousand	1	Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2020/21	Budget Year +1 2021/22	Budget Year +2 2022/23
Capital expenditure on new assets by Asset Class/Sub-class										
Infrastructure		6 617	19 110	11 034	10 079	4 706	4 706	6 742	18 466	17 130
Roads Infrastructure		4 426	-	-	-	-	-	-	-	-
Roads		4 426	-	-	-	-	-	-	-	-
Storm water Infrastructure		-	-	-	-	-	-	-	-	-
Electrical Infrastructure		-	199	1 483	1 920	840	840	-	1 500	5 000
Power Plants		-	-	-	-	-	-	-	-	-
LV Networks		-	199	1 483	1 920	840	840	-	1 500	5 000
Capital Spares		-	-	-	-	-	-	-	-	-
Water Supply Infrastructure		1 184	12 077	7 143	7 459	3 867	3 867	6 742	16 966	12 130
Dams and Weirs		-	-	-	-	-	-	-	-	-
Boreholes		-	-	-	-	-	-	-	-	-
Reservoirs		-	12 077	7 143	6 759	3 867	3 867	6 742	6 966	7 130
Pump Stations		-	-	-	700	-	-	-	10 000	5 000
Water Treatment Works		-	-	-	-	-	-	-	-	-
Bulk Mains		-	-	-	-	-	-	-	-	-
Distribution		1 184	-	-	-	-	-	-	-	-
Distribution Points		-	-	-	-	-	-	-	-	-
Sanitation Infrastructure		-	-	2 408	700	-	-	-	-	-
Pump Station		-	-	-	700	-	-	-	-	-
Reticulation		-	-	-	-	-	-	-	-	-
Waste Water Treatment Works		-	-	2 408	-	-	-	-	-	-
Outfall Sewers		-	-	-	-	-	-	-	-	-
Toilet Facilities		-	-	-	-	-	-	-	-	-
Capital Spares		-	-	-	-	-	-	-	-	-
Solid Waste Infrastructure		1 007	6 834	-	-	-	-	-	-	-
Landfill Sites		1 007	6 834	-	-	-	-	-	-	-
Waste Transfer Stations		-	-	-	-	-	-	-	-	-
Community Assets		-	-	2 536	-	458	458	-	-	-
Community Facilities		-	-	-	-	-	-	-	-	-
Sport and Recreation Facilities		-	-	2 536	-	458	458	-	-	-
Indoor Facilities		-	-	-	-	-	-	-	-	-
Outdoor Facilities		-	-	2 536	-	458	458	-	-	-
Capital Spares		-	-	-	-	-	-	-	-	-
Intangible Assets		10	26	23	-	-	-	-	-	-
Servitudes		-	-	-	-	-	-	-	-	-
Licences and Rights		10	26	23	-	-	-	-	-	-
Water Rights		-	-	-	-	-	-	-	-	-
Effluent Licenses		-	-	-	-	-	-	-	-	-
Solid Waste Licenses		-	-	-	-	-	-	-	-	-
Computer Software and Applications		10	26	23	-	-	-	-	-	-
Load Settlement Software Applications		-	-	-	-	-	-	-	-	-
Unspecified		-	-	-	-	-	-	-	-	-
Computer Equipment		116	68	63	200	200	200	200	-	-
Computer Equipment		116	68	63	200	200	200	200	-	-
Furniture and Office Equipment		123	-	8	-	-	-	-	-	-
Furniture and Office Equipment		123	-	8	-	-	-	-	-	-
Machinery and Equipment		8	113	5	-	-	-	-	-	-
Machinery and Equipment		8	113	5	-	-	-	-	-	-
Transport Assets		28	-	-	-	692	692	-	-	-
Transport Assets		28	-	-	-	692	692	-	-	-
Land		-	-	-	-	-	-	-	-	-
Land		-	-	-	-	-	-	-	-	-
Total Capital Expenditure on new assets	1	6 902	19 317	13 669	10 279	6 056	6 056	6 942	18 466	17 130

Table 59 MBRR SA34b - Capital expenditure on the renewal of existing assets by asset class

NC067 Khai-Ma - Supporting Table SA34b Capital expenditure on the renewal of existing assets by asset class										
Description	Ref	2016/17	2017/18	2018/19	Current Year 2019/20			2020/21 Medium Term Revenue & Expenditure Framework		
R thousand	1	Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2020/21	Budget Year +1 2021/22	Budget Year +2 2022/23
Capital expenditure on renewal of existing assets by Asset Class/Sub-class										
Infrastructure		-	-	-	-	-	-	-	-	-
Community Assets		160	2 959	-	-	-	-	-	-	-
Community Facilities		-	-	-	-	-	-	-	-	-
Sport and Recreation Facilities		160	2 959	-	-	-	-	-	-	-
Indoor Facilities		-	-	-	-	-	-	-	-	-
Outdoor Facilities		160	2 959	-	-	-	-	-	-	-
Capital Spares		-	-	-	-	-	-	-	-	-
Total Capital Expenditure on renewal of existing assets	1	160	2 959	-	-	-	-	-	-	-
Renewal of Existing Assets as % of total capex		0.0%	13.3%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%
Renewal of Existing Assets as % of deprecn"		4.5%	31.9%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%

Table 60 MBRR SA34c - Repairs and maintenance expenditure by asset class

NC067 Khai-Ma - Table A9 Asset Management										
Description	Ref	2016/17	2017/18	2018/19	Current Year 2019/20			2020/21 medium term Revenue & Expenditure Framework		
R thousand		Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2020/21	Budget Year +1 2021/22	Budget Year +2 2022/23
Repairs and Maintenance by Asset Class	3	1 127	1 942	2 513	4 174	4 074	4 074	4 136	4 326	4 525
Roads Infrastructure		13	702	113	297	297	297	311	325	340
Storm water Infrastructure		–	–	–	–	–	–	–	–	–
Electrical Infrastructure		130	101	61	262	262	262	194	203	212
Water Supply Infrastructure		324	178	982	1 576	1 576	1 576	1 510	1 579	1 652
Sanitation Infrastructure		26	2	36	163	163	163	171	179	187
Solid Waste Infrastructure		49	–	42	396	396	396	414	433	453
Information and Communication Infrastructure		–	–	–	–	–	–	–	–	–
Infrastructure		542	984	1 234	2 694	2 694	2 694	2 600	2 719	2 845
Community Facilities		–	2	–	100	100	100	104	109	114
Sport and Recreation Facilities		3	11	1	33	33	33	35	36	38
Community Assets		3	13	1	133	133	133	139	145	152
Heritage Assets		–	–	–	–	–	–	–	–	–
Revenue Generating		–	–	–	111	111	111	117	122	127
Investment properties		–	–	–	111	111	111	117	122	127
Operational Buildings		8	322	42	56	56	56	59	61	64
Housing		4	10	88	13	13	13	13	14	14
Other Assets		12	332	131	69	69	69	72	75	78
Intangible Assets		–	–	–	–	–	–	–	–	–
Computer Equipment		123	250	900	580	580	580	607	635	664
Furniture and Office Equipment		7	89	36	20	20	20	21	22	22
Machinery and Equipment		9	–	14	65	65	65	68	71	74
Transport Assets		431	274	196	502	402	402	514	538	562
TOTAL EXPENDITURE OTHER ITEMS		4 646	11 208	9 941	7 648	8 813	8 813	8 984	8 874	9 415

NC067 Khai-Ma - Supporting Table SA34d Depreciation by asset class

NC067 Khai-Ma - Supporting Table SA34d Depreciation by asset class										
Description	Ref	2016/17	2017/18	2018/19	Current Year 2019/20			2020/21 Medium Term Revenue & Expenditure Framework		
R thousand	1	Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2020/21	Budget Year +1 2021/22	Budget Year +2 2022/23
<u>Depreciation by Asset Class/Sub-class</u>										
<u>Infrastructure</u>		1 988	6 865	5 549	2 238	2 845	2 845	3 301	3 175	3 518
Roads Infrastructure		776	911	510	776	596	596	1 106	510	510
Roads		776	911	510	776	596	596	1 106	510	510
Electrical Infrastructure		205	194	131	205	150	150	131	161	261
LV Networks		205	194	131	205	150	150	131	161	261
Capital Spares		–	–	–	–	–	–	–	–	–
Water Supply Infrastructure		452	457	653	452	707	707	687	1 127	1 370
Distribution		452	457	653	452	707	707	687	927	1 070
Sanitation Infrastructure		161	164	73	161	86	86	73	73	73
Pump Station		–	–	–	–	–	–	–	–	–
Reticulation		161	164	73	161	86	86	73	73	73
Solid Waste Infrastructure		393	5 138	4 183	643	1 305	1 305	1 305	1 305	1 305
Landfill Sites		393	5 138	4 183	643	1 305	1 305	1 305	1 305	1 305
<u>Community Assets</u>		629	651	467	244	244	480	482	467	467
Community Facilities		399	465	467	15	15	15	14	–	–
Halls		388	453	467	–	–	–	–	–	–
Libraries		11	11	–	15	15	15	14	–	–
Sport and Recreation Facilities		229	187	–	229	229	465	467	467	467
Indoor Facilities		229	187	–	–	–	–	–	–	–
Outdoor Facilities		–	–	–	229	229	465	467	467	467
<u>Investment properties</u>		6	673	–	6	7	7	–	–	–
Revenue Generating		6	673	–	6	7	7	–	–	–
Improved Property		6	673	–	6	7	7	–	–	–
<u>Other assets</u>		19	1	36	26	271	36	36	36	36
Operational Buildings		19	1	36	26	271	36	36	36	36
Municipal Offices		19	1	36	26	271	36	36	36	36
<u>Biological or Cultivated Assets</u>		–	–	–	–	–	–	–	–	–
Biological or Cultivated Assets		–	–	–	–	–	–	–	–	–
<u>Intangible Assets</u>		34	85	114	23	117	117	18	16	16
Servitudes		–	–	–	–	–	–	–	–	–
Licences and Rights		34	85	114	23	117	117	18	16	16
Computer Software and Applications		34	85	114	23	117	117	18	16	16
Load Settlement Software Applications		–	–	–	–	–	–	–	–	–
Unspecified		–	–	–	–	–	–	–	–	–
<u>Computer Equipment</u>		124	33	204	87	216	216	146	134	134
Computer Equipment		124	33	204	87	216	216	146	134	134
<u>Furniture and Office Equipment</u>		223	139	159	100	151	151	49	35	35
Furniture and Office Equipment		223	139	159	100	151	151	49	35	35
<u>Machinery and Equipment</u>		85	257	253	256	215	215	168	37	37
Machinery and Equipment		85	257	253	256	215	215	168	37	37
<u>Transport Assets</u>		411	562	648	494	673	673	648	648	648
Transport Assets		411	562	648	494	673	673	648	648	648
Total Depreciation	1	3 519	9 265	7 429	3 474	4 740	4 740	4 848	4 548	4 890

Table 61 MBRR SA35 - Future financial implications of the capital budget

NC067 Khai-Ma - Supporting Table SA35 Future financial implications of the capital budget								
Vote Description R thousand	Ref	2020/21 Medium Term Revenue & Expenditure Framework			Forecasts			
		Budget Year 2020/21	Budget Year +1 2021/22	Budget Year +2 2022/23	Forecast 2023/24	Forecast 2024/25	Forecast 2025/26	Present value
Capital expenditure	1							
Vote 1 - Municipal Manager		200	–	–	–	–	–	–
Vote 2 - Finance		–	–	–	–	–	–	–
Vote 3 - Corporate Services		–	–	–	–	–	–	–
Vote 4 - Infrastructure Development		6 742	18 466	17 130	–	–	–	–
Vote 5 - Economic Development		–	–	–	–	–	–	–
Total Capital Expenditure		6 942	18 466	17 130	–	–	–	–
Future operational costs by vote	2							
Vote 1 - Municipal Manager		–	–	–	–	–	–	–
Vote 2 - Finance		–	–	–	–	–	–	–
Vote 3 - Corporate Services		–	–	–	–	–	–	–
Vote 4 - Infrastructure Development		–	–	–	–	–	–	–
Vote 5 - Economic Development		–	–	–	–	–	–	–
Total future operational costs		–	–	–	–	–	–	–
Future revenue by source	3							
Property rates		–	–	–	–	–	–	–
Service charges - electricity revenue		–	–	–	–	–	–	–
Service charges - water revenue		–	–	–	–	–	–	–
Service charges - sanitation revenue		–	–	–	–	–	–	–
Service charges - refuse revenue		–	–	–	–	–	–	–
Rental of facilities and equipment		–	–	–	–	–	–	–
Total future revenue		–	–	–	–	–	–	–
Net Financial Implications		6 942	18 466	17 130	–	–	–	–

Table 62 MBRR SA36: Detailed capital budget per municipal vote (continued)

NC067 Khai-Ma - Supporting Table SA36 Detailed capital budget															2020/21 Medium Term Revenue & Expenditure Framework		
R thousand																	
Function	Project Description	Project Number	Type	MTSF Service Outcome	IUDF	Own Strategic Objectives	Asset Class	Asset Sub-Class	Ward Location	GPS Longitude	GPS Latitude	Audited Outcome 2018/19	Current Year 2019/20 Full Year Forecast	Budget Year 2020/21	Budget Year +1 2021/22	Budget Year +2 2022/23	
Parent municipality: List all capital projects grouped by Function																	
Mayor and Council	Non-infrastructure>New>Computer Equipment	PC00200300400000000000000000000000_00062	New	09-Responsive, accountable, effective and efficient local government	04-Governance	Good Governance	Computer Equipment	Computer Equipment	Administrative or Head Office	-	-	99	200	200	-	-	
Mayor and Council	Non-infrastructure - New - Transport Assets	PC002003010000000000000000000000000000	New	09-Responsive, accountable, effective and efficient local government	04-Governance	Good Governance	Transport Assets	Transport Assets	Administrative or Head Office	-	-	-	692	-	-	-	
Recreational Facilities	Non-infrastructure>New>Community Assets>Sport and Recreation Facilities>Outdoor Facilities	PC0020030020020020000000000000000000_00063	New	09-Responsive, accountable, effective and efficient local government	04-Governance	Embracing our Cultural Diversity	Sport and Recreation Facilities	Outdoor Facilities	Ward 1	-	-	845	153	-	-	-	
Recreational Facilities	Non-infrastructure>New>Community Assets>Sport and Recreation Facilities>Outdoor Facilities	PC0020030020020020000000000000000000_00064	New	09-Responsive, accountable, effective and efficient local government	04-Governance	Embracing our Cultural Diversity	Sport and Recreation Facilities	Outdoor Facilities	Ward 2	-	-	845	153	-	-	-	
Recreational Facilities	Non-infrastructure>New>Community Assets>Sport and Recreation Facilities>Outdoor Facilities	PC0020030020020020000000000000000000_00065	New	09-Responsive, accountable, effective and efficient local government	04-Governance	Embracing our Cultural Diversity	Sport and Recreation Facilities	Outdoor Facilities	Ward 3	-	-	845	153	-	-	-	
Sewerage	Infrastructure>Existing>Upgrading>Sanitation Infrastructure>Pump Station	PC0010010020050010000000000000000000_00072	Upgrading	09-Responsive, accountable, effective and efficient local government	04-Governance	Quality Living Environment	Sanitation Infrastructure	Pump Station	Ward 4	-	-	2 408	-	-	-	-	
Water Distribution	Infrastructure>Existing>Upgrading>Water Supply Infrastructure>Bulk Mains	PC0010010020040060000000000000000000_00067	Upgrading	09-Responsive, accountable, effective and efficient local government	04-Governance	Quality Living Environment	Water Supply Infrastructure	Bulk Mains	Ward 4	-	-	-	-	-	-	-	
Water Distribution	Infrastructure>Existing>Upgrading>Water Supply Infrastructure>Reservoirs	PC0010010020040030000000000000000000_00073	Upgrading	09-Responsive, accountable, effective and efficient local government	04-Governance	Quality Living Environment	Water Supply Infrastructure	Reservoirs	Ward 4	-	-	7 143	3 867	6 742	6 966	7 130	
Water Distribution	Infrastructure>Existing>Upgrading>Water Supply Infrastructure>Pump Station	PC0010010020040040000000000000000000_00074	Upgrading	09-Responsive, accountable, effective and efficient local government	04-Governance	Quality Living Environment	Water Supply Infrastructure	Pump Station	Ward 3	-	-	-	-	-	10 000	5 000	
Water Distribution	Infrastructure>Existing>Upgrading>Water Supply Infrastructure>Bulk Mains	PC0010010020040060000000000000000000_00067	New	09-Responsive, accountable, effective and efficient local government	04-Governance	Quality Living Environment	Water Supply Infrastructure	Bulk Mains	Whole of the Municipality	-	-	-	-	-	-	-	
Electricity	Infrastructure>New>Electrical Infrastructure>LV Networks	PC0010020010080000000000000000000000_00069	New	09-Responsive, accountable, effective and efficient local government	04-Governance	Quality Living Environment	Electrical Infrastructure	LV Networks	Ward 1	-	-	1 483	840	-	1 500	5 000	
Electricity	Infrastructure>New>Electrical Infrastructure>LV Networks	PC0010020010080000000000000000000000_00069	New	09-Responsive, accountable, effective and efficient local government	04-Governance	Quality Living Environment	Electrical Infrastructure	LV Networks	Ward 4	-	-	-	-	-	-	-	
Roads	Infrastructure>Existing>Upgrading>Roads Infrastructure>Roads	PC0010010020060010000000000000000000_00066	Upgrading	09-Responsive, accountable, effective and efficient local government	04-Governance	Quality Living Environment	Roads Infrastructure	Roads	Ward 4	-	-	-	-	-	-	-	
Parent Capital expenditure													13 669	6 056	6 942	18 466	17 130
Entities: List all capital projects grouped by Entity																	
Entity A																	
Entity B																	
Entity Capital expenditure													-	-	-	-	-
Total Capital expenditure													13 669	6 056	6 942	18 466	17 130

Table 63 MBRR SA37 - Projects delayed from previous financial year

2.3 Legislation compliance status

Compliance with the MFMA implementation requirements have been substantially adhered to through the following activities:

1. In year reporting
Reporting to National Treasury in electronic format was fully complied with on a monthly basis. Section 71 reporting to the Mayor (within 10 working days) has progressively improved and includes monthly published financial performance of the municipality.
2. Internship programme
The municipality is participating in the Municipal Financial Management Internship programme and has employed four interns undergoing training in various divisions of the Financial Services Department.
3. Budget and Treasury Office
The Budget and Treasury Office has been established in accordance with the MFMA.
4. Audit Committee
The Khâi-MA Municipality established its own Audit Committee.
5. Service Delivery and Implementation Plan
The detail SDBIP document is at this stage a draft and after approval of the 2020/21 MTREF in May 2020 directly aligned and informed by the 2020/21 MTREF.
6. Annual Report
Annual report is compiled in terms of the MFMA and National Treasury requirements.
7. MFMA Training
The MFMA training module in electronic format is presented at the municipality training is ongoing.
8. Policies
An amendment of the Municipal Property Rates Regulations as published in Government Notice 1197 of 28 May 2008. The ratios as prescribed in the Regulations have been complied with.

2.14 Other supporting documents

Table 64 MBRR Table SA1 - Supporting detail to budgeted financial performance

NC067 Khai-Ma - Supporting Table SA1 Supporting detail to 'Budgeted Financial Performance'											
Description	Ref	2016/17	2017/18	2018/19	Current Year 2019/20				2020/21 Medium Term Revenue & Expenditure Framework		
		Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Pre-audit outcome	Budget Year 2020/21	Budget Year +1 2021/22	Budget Year +2 2022/23
R thousand											
REVENUE ITEMS:											
Property rates											
Total Property Rates	6	15 673	17 141	18 445	18 930	19 025	19 025	19 025	20 364	21 301	22 281
less Revenue Foregone (exemptions, reductions and rebates and impermissible values in excess of section 17 of MPRA)		11 595	12 088	13 134	10 694	10 560	10 560	10 560	11 286	11 805	12 348
Net Property Rates		4 078	5 053	5 311	8 236	8 465	8 465	8 465	9 079	9 496	9 933
Service charges - electricity revenue											
Total Service charges - electricity revenue	6	7 788	8 081	8 945	17 254	22 387	22 387	22 387	18 796	19 660	20 565
less Revenue Foregone (in excess of 50 kwh per indigent household per month)		538	549	599	464	702	702	702	752	787	823
less Cost of Free Basis Services (50 kwh per indigent household per month)		—	—	—	7 461	7 461	7 461	7 461	7 804	8 163	8 539
Net Service charges - electricity revenue		7 250	7 532	8 345	9 329	14 224	14 224	14 224	10 239	10 710	11 203
Service charges - water revenue											
Total Service charges - water revenue	6	10 330	10 216	9 948	18 669	26 031	26 031	26 031	27 078	28 324	29 627
less Revenue Foregone (in excess of 6 kilolitres per indigent household per month)		3 499	3 814	4 046	4 054	4 389	4 389	4 389	4 478	4 684	4 899
less Cost of Free Basis Services (6 kilolitres per indigent household per month)		—	—	—	8 183	8 183	8 183	8 183	14 864	15 548	16 263
Net Service charges - water revenue		6 831	6 403	5 903	6 432	13 459	13 459	13 459	7 736	8 092	8 464
Service charges - sanitation revenue											
Total Service charges - sanitation revenue		3 161	3 643	3 855	6 315	8 189	8 189	8 189	9 323	9 752	10 200
less Revenue Foregone (in excess of free sanitation service to indigent households)		2 108	2 352	2 474	2 774	2 774	2 774	2 774	3 183	3 329	3 482
less Cost of Free Basis Services (free sanitation service to indigent households)		—	—	—	2 163	2 163	2 163	2 163	4 753	4 972	5 200
Net Service charges - sanitation revenue		1 053	1 291	1 381	1 377	3 251	3 251	3 251	1 387	1 451	1 518
Service charges - refuse revenue											
Total refuse removal revenue	6	3 175	3 569	3 823	7 477	10 847	10 847	10 847	11 054	11 563	12 095
Total landfill revenue		—	—	—	—	—	—	—	—	—	—
less Revenue Foregone (in excess of one removal a week to indigent households)		2 223	2 474	2 613	2 789	2 809	2 809	2 809	3 183	3 329	3 482
less Cost of Free Basis Services (removed once a week to indigent households)		—	—	—	3 446	3 446	3 446	3 446	6 599	6 902	7 220
Net Service charges - refuse revenue		953	1 094	1 210	1 242	4 593	4 593	4 593	1 273	1 332	1 393
Other Revenue by source											
Fuel Levy		—	—	—	—	—	—	—	—	—	—
Other Revenue		2 892	4 610	2 982	17	17	17	17	18	19	19
Sales of Goods and Rendering of Services		71	27	45	14	14	14	14	14	15	16
Surcharges		18	22	26	—	—	—	—	—	—	—
Total 'Other' Revenue	1	2 980	4 659	3 053	31	31	31	31	32	33	35
EXPENDITURE ITEMS:											
Employee related costs											
Basic Salaries and Wages	2	14 201	14 147	15 324	20 290	18 375	18 375	18 375	21 252	22 495	23 811
Pension and UIF Contributions		1 458	1 869	2 072	3 198	2 557	2 557	2 557	2 911	3 082	3 262
Medical Aid Contributions		276	256	396	2 047	1 232	1 232	1 232	938	993	1 051
Overtime		986	1 452	1 566	2 641	1 513	1 513	1 513	2 146	2 271	2 404
Performance Bonus		748	1 353	1 140	1 413	1 124	1 124	1 124	1 365	1 438	1 523
Motor Vehicle Allowance		303	290	230	578	340	340	340	310	328	347
Cellphone Allowance		292	23	23	35	25	25	25	41	43	46
Housing Allowances		60	(92)	69	92	92	92	92	67	71	76
Other benefits and allowances		—	575	495	687	542	542	542	774	801	848
Payments in lieu of leave		660	347	269	179	179	179	179	190	201	213
Long service awards		66	168	106	138	200	200	200	213	225	238
Post-retirement benefit obligations		249	721	(124)	980	812	812	812	1 093	917	985
sub-total	4	19 300	21 109	21 565	32 274	26 988	26 988	26 988	31 299	32 865	34 803
Less: Employees costs capitalised to PPE		—	—	—	—	—	—	—	—	—	—
Total Employee related costs	1	19 300	21 109	21 565	32 274	26 988	26 988	26 988	31 299	32 865	34 803
Depreciation & asset impairment											
Depreciation of Property, Plant & Equipment		3 401	9 265	7 429	3 462	4 739	4 739	4 739	4 848	4 548	4 890
Lease amortisation		—	—	—	—	—	—	—	—	—	—
Capital asset impairment		118	—	—	11	0	0	0	—	—	—
Total Depreciation & asset impairment	1	3 519	9 265	7 429	3 474	4 740	4 740	4 740	4 848	4 548	4 890
Bulk purchases											
Electricity Bulk Purchases		7 100	7 461	8 663	9 375	10 001	10 001	10 001	10 814	11 377	12 389
Water Bulk Purchases		3 730	4 933	4 270	4 900	4 400	4 400	4 400	4 500	4 950	5 445
Total bulk purchases	1	10 830	12 394	12 933	14 275	14 401	14 401	14 401	15 314	16 327	17 834

Transfers and grants											
Cash transfers and grants		-	-	-	-	-	-	-	-	-	-
Non-cash transfers and grants		-	-	-	-	-	-	-	-	-	-
Total transfers and grants	1	-	-	-	-	-	-	-	-	-	-
Contracted services											
Outsourced Services		368	464	1 040	370	370	370	370	236	247	258
Consultants and Professional Services		1 287	800	1 117	1 124	1 624	1 624	1 624	1 435	1 501	1 570
Contractors		1 375	1 024	1 145	2 080	2 080	2 080	2 080	2 057	2 151	2 250
Total contracted services		3 030	2 287	3 303	3 574	4 074	4 074	4 074	3 728	3 899	4 079
Other Expenditure By Type											
Collection costs		-	-	-	-	-	-	-	-	-	-
Contributions to 'other' provisions		-	-	-	-	-	-	-	-	-	-
Audit fees		2 128	2 660	3 326	1 929	1 929	1 929	1 929	2 018	2 110	2 207
Other Expenditure		-	164	235	435	432	432	432	472	494	517
Printing, Publications and Books		-	56	12	81	81	81	81	85	89	93
Entertainment		26	19	17	44	39	39	39	41	43	45
Insurance		246	234	279	380	380	380	380	401	420	439
Skills Development Fund Levy		146	182	191	241	246	246	246	260	272	284
Ward Committees		146	98	179	240	240	240	240	251	263	275
Advertising, Publicity and Marketing		17	83	42	86	81	81	81	85	89	93
Travel and Subsistence		1 266	945	1 265	1 924	1 616	1 616	1 616	1 652	1 728	1 808
Communication		355	393	407	697	722	722	722	701	734	767
Inventory Consumed		853	-	-	-	-	-	-	-	-	-
Bank Charges		224	242	245	280	280	280	280	293	306	320
Professional Bodies, Membership and Subscription		537	24	518	552	552	552	552	575	602	629
Wet Fuel		504	516	537	670	670	670	670	701	733	767
Licences		-	93	84	121	121	121	121	127	132	138
Levies Paid		-	-	-	122	122	122	122	128	133	140
Commission		385	380	440	425	425	425	425	445	465	486
Uniform and Protective Clothing		60	-	-	-	-	-	-	-	-	-
Workmen's Compensation Fund		121	-	-	-	-	-	-	-	-	-
Total 'Other' Expenditure	1	7 013	6 089	7 779	8 226	7 935	7 935	7 935	8 234	8 613	9 009
Repairs and Maintenance											
Employee related costs	8	-	-	-	-	-	-	-	-	-	-
Other materials		430	790	1 449	2 276	2 276	2 276	2 276	2 382	2 492	2 607
Contracted Services		679	1 152	1 064	1 898	1 798	1 798	1 798	1 753	1 834	1 919
Other Expenditure		17	-	-	-	-	-	-	-	-	-
Total Repairs and Maintenance Expenditure	9	1 127	1 942	2 513	4 174	4 074	4 074	4 074	4 136	4 326	4 525

Table 65 MBRRTable SA2 – Matrix financial performance budget

NC067 Khai-Ma - Supporting Table SA2 Matrix Financial Performance Budget (revenue source/expenditure type and dept.)							
Description	Ref	Vote 1 - Municipal Manager	Vote 2 - Finance	Vote 3 - Corporate Services	Vote 4 - Infrastructur e Development	Vote 5 - Economic Development	Total
R thousand	1						
Revenue By Source							
Property rates		–	9 079	–	–	–	9 079
Service charges - electricity revenue		–	–	(127)	10 366	–	10 239
Service charges - water revenue		–	–	(75)	7 811	–	7 736
Service charges - sanitation revenue		–	–	(19)	1 406	–	1 387
Service charges - refuse revenue		–	–	(22)	1 295	–	1 273
Rental of facilities and equipment		–	205	–	–	–	205
Interest earned - external investments		–	–	211	–	–	211
Interest earned - outstanding debtors		–	390	–	3 670	–	4 060
Dividends received		–	–	–	–	–	–
Fines, penalties and forfeits		–	86	–	–	–	86
Licences and permits		–	90	–	–	–	90
Agency services		–	–	–	–	–	–
Other revenue		–	7	2 280	(2 255)	–	32
Transfers and subsidies		20 307	2 800	–	2 011	–	25 118
Gains		–	–	–	–	–	–
Total Revenue (excluding capital transfers and contributions)		20 307	12 658	2 249	24 304	–	59 517
Expenditure By Type							
Employee related costs		4 245	4 770	10 935	10 761	588	31 299
Remuneration of councillors		2 811	–	–	–	–	2 811
Debt impairment		–	1 857	–	4 343	–	6 199
Depreciation & asset impairment		222	545	768	3 313	–	4 848
Finance charges		–	73	51	3 203	–	3 327
Bulk purchases		–	628	–	14 686	–	15 314
Other materials		54	119	460	3 465	–	4 098
Contracted services		188	1 769	1 054	629	88	3 728
Transfers and subsidies		–	–	–	–	–	–
Other expenditure		1 307	1 447	2 005	3 357	119	8 234
Losses		–	–	–	–	–	–
Total Expenditure		8 826	11 209	15 273	43 756	795	79 859
Surplus/(Deficit)		11 481	1 449	(13 024)	(19 452)	(795)	(20 342)
Transfers and subsidies - capital (monetary allocations) (National / Provincial and District)		–	–	–	6 742	–	6 742
Transfers and subsidies - capital (monetary allocations) (National / Provincial Departmental Agencies, Households, Non-profit Institutions, Private Enterprises, Public Corporations, Higher Educational Institutions)		–	–	–	–	–	–
Transfers and subsidies - capital (in-kind - all)		–	–	–	–	–	–
Surplus/(Deficit) after capital transfers & contributions		11 481	1 449	(13 024)	(12 710)	(795)	(13 600)

Table 66 MBRR Table SA3 – Supporting detail to Statement of Financial Position

NC067 Khai-Ma - Supporting Table SA3 Supporting detail to 'Budgeted Financial Position'											
Description	Ref	2016/17	2017/18	2018/19	Current Year 2019/20				2020/21 Medium Term Revenue & Expenditure Framework		
		Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Pre-audit outcome	Budget Year 2020/21	Budget Year +1 2021/22	Budget Year +2 2022/23
R thousand											
ASSETS											
Consumer debtors											
Consumer debtors		33 134	45 528	55 015	56 689	56 091	63 877	63 877	69 405	75 485	81 752
Less: Provision for debt impairment		(31 367)	(38 947)	(47 127)	(53 428)	(53 428)	(61 425)	(61 425)	(67 625)	(73 704)	(79 971)
Total Consumer debtors	2	1 767	6 580	7 888	3 261	2 663	2 452	2 452	1 781	1 781	1 781
Debt impairment provision											
Balance at the beginning of the year		36 560	31 367	38 947	48 055	48 055	52 588	52 588	61 425	67 625	73 704
Contributions to the provision		(5 193)	7 580	8 180	5 373	5 373	8 838	8 838	6 199	6 080	6 267
Bad debts written off		–	–	–	–	–	–	–	–	–	–
Balance at end of year		31 367	38 947	47 127	53 428	53 428	61 425	61 425	67 625	73 704	79 971
Property, plant and equipment (PPE)											
PPE at cost/valuation (excl. finance leases)		119 876	160 535	173 881	204 441	184 940	182 372	182 372	189 314	207 780	224 910
Leases recognised as PPE		–	–	–	–	–	–	–	–	–	–
Less: Accumulated depreciation		29 055	49 334	56 352	63 055	64 237	60 968	60 968	65 798	70 330	75 204
Total Property, plant and equipment (PPE)	2	90 821	111 201	117 529	141 386	120 704	121 404	121 404	123 516	137 450	149 706
LIABILITIES											
Current liabilities - Borrowing											
Short term loans (other than bank overdraft)		–	–	–	–	–	–	–	–	–	–
Current portion of long-term liabilities		121	–	–	–	–	–	–	–	–	–
Total Current liabilities - Borrowing		121	–	–	–	–	–	–	–	–	–
Trade and other payables											
Trade Payables		31 118	29 640	40 994	14 597	36 895	34 358	34 358	44 774	57 964	72 939
Other creditors		–	–	–	–	–	–	–	–	–	–
Unspent conditional transfers		–	3 216	1 465	–	–	–	–	–	–	–
VAT		–	–	–	–	(5 460)	(5 460)	(5 460)	(5 460)	(5 460)	(5 460)
Total Trade and other payables	2	31 118	32 856	42 459	14 597	31 435	28 898	28 898	39 314	52 504	67 479
Non current liabilities - Borrowing											
Borrowing		–	–	–	11 500	–	–	–	–	–	–
Finance leases (including PPP asset element)		29	29	–	–	–	–	–	–	–	–
Total Non current liabilities - Borrowing		29	29	–	11 500	–	–	–	–	–	–
Provisions - non-current											
Retirement benefits		6 026	6 668	6 325	7 814	7 070	7 813	7 813	8 849	9 724	10 685
Refuse landfill site rehabilitation		4 276	8 663	14 160	13 022	27 108	27 846	27 846	28 622	29 439	30 298
Other		–	–	–	–	–	–	–	–	–	–
Total Provisions - non-current		10 303	15 331	20 485	20 835	34 178	35 659	35 659	37 471	39 163	40 983
CHANGES IN NET ASSETS											
Accumulated Surplus/(Deficit)											
Accumulated Surplus/(Deficit) - opening balance		53 567	30 913	30 775	66 196	27 424	27 424	27 424	38 352	24 939	23 799
GRAP adjustments		(17 682)	(1 371)	–	–	–	–	–	–	–	–
Restated balance		35 885	29 541	30 775	66 196	27 424	27 424	27 424	38 352	24 939	23 799
Surplus/(Deficit)		(4 973)	1 046	(3 538)	(10 992)	10 740	10 740	10 740	(13 600)	(1 328)	(4 728)
Transfers to/from Reserves		–	–	–	–	–	–	–	–	–	–
Depreciation offsets		–	188	188	188	188	188	188	188	188	188
Other adjustments		–	–	–	–	–	–	–	–	–	–
Accumulated Surplus/(Deficit)	1	30 913	30 775	27 424	55 392	38 352	38 352	38 352	24 939	23 799	19 259
Reserves											
Housing Development Fund		16	–	–	16	16	–	–	–	–	–
Capital replacement		–	–	–	–	–	–	–	–	–	–
Self-insurance		–	–	–	–	–	–	–	–	–	–
Other reserves		–	–	–	–	–	–	–	–	–	–
Revaluation		28 362	28 175	27 987	27 949	27 987	27 799	27 799	27 612	27 424	27 237
Total Reserves	2	28 378	28 175	27 987	27 965	28 003	27 799	27 799	27 612	27 424	27 237
TOTAL COMMUNITY WEALTH/EQUITY	2	59 291	58 950	55 411	83 357	66 355	66 151	66 151	52 551	51 224	46 499

Table 67 MBRR Table SA9 – Social, economic and demographic statistics and assumptions

Municipal in-house services	Ref		2016/17	2017/18	2018/19	Current Year 2019/20			2020/21 Medium Term Revenue & Expenditure Framework		
			Outcome	Outcome	Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2020/21	Budget Year +1 2021/22	Budget Year +2 2022/23
		Household service targets (000)									
		Water:									
		Piped water inside dwelling	1 332	1 502	1 502	1 502	1 502	1 502	1 728	1 745	1 762
		Piped water inside yard (but not in dwelling)	1 520	1 550	1 550	1 550	1 550	1 550	1 764	1 782	1 799
	8	Using public tap (at least min.service level)	–	–	–	–	–	–	–	–	–
	10	Other water supply (at least min.service level)	–	–	–	–	–	–	–	–	–
		Minimum Service Level and Above sub-total	2 852	3 052	3 052	3 052	3 052	3 052	3 492	3 527	3 561
	9	Using public tap (< min.service level)	–	–	–	–	–	–	–	–	–
	10	Other water supply (< min.service level)	–	–	–	–	–	–	–	–	–
		No water supply	–	–	–	–	–	–	–	–	–
		Below Minimum Service Level sub-total	–	–	–	–	–	–	–	–	–
		Total number of households	2 852	3 052	3 052	3 052	3 052	3 052	3 492	3 527	3 561
		Sanitation/sewerage:									
		Flush toilet (connected to sewerage)	190	215	215	215	215	215	294	297	299
		Flush toilet (with septic tank)	1 456	1 525	1 525	1 525	1 525	1 525	2 619	2 645	2 672
		Chemical toilet	–	–	–	–	–	–	–	–	–
		Pit toilet (ventilated)	450	450	450	450	450	450	423	418	413
		Other toilet provisions (> min.service level)	–	–	–	–	–	–	–	–	–
		Minimum Service Level and Above sub-total	2 096	2 190	2 190	2 190	2 190	2 190	3 336	3 360	3 384
		Bucket toilet	–	–	–	–	–	–	–	–	–
		Other toilet provisions (< min.service level)	–	–	–	–	–	–	–	–	–
		No toilet provisions	–	–	–	–	–	–	–	–	–
		Below Minimum Service Level sub-total	–	–	–	–	–	–	–	–	–
		Total number of households	2 096	2 190	2 190	2 190	2 190	2 190	3 336	3 360	3 384
		Energy:									
		Electricity (at least min.service level)	2 096	2 190	2 190	2 190	2 190	2 190	2 234	2 279	2 324
		Electricity - prepaid (min.service level)	–	–	–	–	–	–	–	–	–
		Minimum Service Level and Above sub-total	2 096	2 190	2 190	2 190	2 190	2 190	2 234	2 279	2 324
		Electricity (< min.service level)	–	–	–	–	–	–	–	–	–
		Electricity - prepaid (< min. service level)	–	–	–	–	–	–	–	–	–
		Other energy sources	–	–	–	–	–	–	–	–	–
		Below Minimum Service Level sub-total	–	–	–	–	–	–	–	–	–
		Total number of households	2 096	2 190	2 190	2 190	2 190	2 190	2 234	2 279	2 324
		Refuse:									
		Removed at least once a week	2 096	2 190	2 190	2 190	2 190	2 190	2 868	2 896	2 926
		Minimum Service Level and Above sub-total	2 096	2 190	2 190	2 190	2 190	2 190	2 868	2 896	2 926
		Removed less frequently than once a week	–	–	–	–	–	–	–	–	–
		Using communal refuse dump	–	–	–	–	–	–	–	–	–
		Using own refuse dump	–	–	–	–	–	–	–	–	–
		Other rubbish disposal	–	–	–	–	–	–	–	–	–
		No rubbish disposal	–	–	–	–	–	–	–	–	–
		Below Minimum Service Level sub-total	–	–	–	–	–	–	–	–	–
		Total number of households	2 096	2 190	2 190	2 190	2 190	2 190	2 868	2 896	2 926

Table 68 MBRR SA32 – List of external mechanisms

NC067 Khai-Ma - Supporting Table SA32 List of external mechanisms					
External mechanism	Yrs/ Mths	Period of agreement 1.	Service provided	Expiry date of service delivery agreement or contract	Monetary value of agreement 2.
Name of organisation		Number			R thousand
SEDIBENG	Yrs	ONGOING	WATER	ONGOING	
PAYDAY	Yrs	ONGOING	MAINTENANCE AGREEMENT	ONGOING	
BUSINESS CONNEXIONS	Yrs	ONGOING	MAINTENANCE AGREEMENT	ONGOING	
CONTOUR	Yrs	ONGOING	MAINTENANCE AGREEMENT	ONGOING	